

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

JJCO, INC., dba JACKSON ) CIVIL NO. CV08-00419

ISUZU, a Hawaii corporation,) SOM LEK

Plaintiff, )

vs. )

ISUZU MOTORS AMERICA, INC., )

a Michigan corporation; )

JOHN DOES 1-10; JANE DOES )

1-10; DOE CORPORATIONS 1-10;)

DOE GOVERNMENTAL AGENCIES )

1-10; DOE PARTNERSHIPS 1-10;)

DOE ENTITIES 1-10, )

Defendants. )

30(B)(6) DEPOSITION OF JACK JACKSON,

Individually and on behalf of JJCO, Inc.,

dba Jackson Isuzu

Taken on behalf of Defendant Isuzu Motors America,

Inc., at the Offices of Jackson Volvo, 704 Ala Moana

Boulevard, Honolulu, Hawaii 96813, commencing at

9:04 a.m., on Wednesday, June 1st, 2011, pursuant to

Notice.

BEFORE: PATRICIA ANN CAMPBELL, CSR 108

Certified Shorthand Reporter

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 For Plaintiff:</p> <p>4 DENNIS KING, ESQ.</p> <p>5 700 City Center</p> <p>6 810 Richards Street</p> <p>7 Honolulu, Hawaii 96813</p> <p>8</p> <p>9 For Defendant Isuzu Motors America, Inc.:</p> <p>10 LEX R. SMITH, ESQ.</p> <p>11 MARIA Y. WANG, ESQ.</p> <p>12 First Hawaiian Center, Suite 2600</p> <p>13 999 Bishop Street</p> <p>14 Honolulu, Hawaii 96813</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 4</p> <p>1 JACK JACKSON,</p> <p>2 called on behalf of Defendant Isuzu Motors America,</p> <p>3 Inc., was first duly sworn to tell the truth, the</p> <p>4 whole truth, and nothing but the truth, and</p> <p>5 testified as follows:</p> <p>6 EXAMINATION</p> <p>7 BY MR. SMITH:</p> <p>8 Q. Mr. Jackson, you and I have met before,</p> <p>9 so I don't think I need to go through a lot of</p> <p>10 background with you.</p> <p>11 A. Okay.</p> <p>12 Q. Do you agree?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. Who are the shareholders of JJCO?</p> <p>15 A. Myself, single.</p> <p>16 Q. Any other shareholders besides you?</p> <p>17 A. No.</p> <p>18 Q. Who are the directors of JJCO?</p> <p>19 A. Myself and my two sons.</p> <p>20 Q. What are the names of your sons?</p> <p>21 A. David Jackson and Marc Jackson.</p> <p>22 Q. Who are the officers of JJCO?</p> <p>23 A. I think I am the only officer,</p> <p>24 president, secretary, treasurer, yeah.</p> <p>25 Q. Who on behalf of JJCO is authorized to</p>
<p style="text-align: right;">Page 3</p> <p>1 INDEX</p> <p>2</p> <p>3</p> <p>4</p> <p>5 EXAMINATION BY: PAGE</p> <p>6 Mr. Smith 4</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15 EXHIBITS FOR IDENTIFICATION PAGE</p> <p>16 (None)</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 5</p> <p>1 deal with Bank of Hawaii?</p> <p>2 A. Bank of Hawaii?</p> <p>3 Q. I'm sorry. With First Hawaiian Bank?</p> <p>4 A. In what regards?</p> <p>5 Q. Well, I guess what I would like to know</p> <p>6 is if there are different people who deal with First</p> <p>7 Hawaiian in different capacities, if you would tell</p> <p>8 me each of them and in what regard each of them</p> <p>9 deals with the bank.</p> <p>10 A. I do the financial arrangements with the</p> <p>11 bank, and Debbie Tesoro is the -- she does the daily</p> <p>12 transactions.</p> <p>13 Q. Who is authorized to sign checks?</p> <p>14 A. Debbie and myself.</p> <p>15 Q. Anybody else?</p> <p>16 A. No.</p> <p>17 Q. When was the last time JJCO held a board</p> <p>18 of directors meeting, if ever?</p> <p>19 A. I don't recall.</p> <p>20 Q. Was it within the last year?</p> <p>21 A. I don't recall.</p> <p>22 Q. Okay.</p> <p>23 A. I think there was -- no, it hasn't been</p> <p>24 in a year.</p> <p>25 Q. Okay. Do you recall whether there has</p>

<p style="text-align: right;">Page 6</p> <p>1 been a board of directors meeting of JJCO within the</p> <p>2 past five years?</p> <p>3 A. Yes, and Taryn has the minutes.</p> <p>4 Q. Okay. How many meetings have there been</p> <p>5 to the best of your memory in the past five years?</p> <p>6 A. Two, maybe.</p> <p>7 Q. Okay, does JJCO make loan payments to</p> <p>8 First Hawaiian Bank?</p> <p>9 A. Yes.</p> <p>10 Q. Are those payments made monthly?</p> <p>11 A. Yes.</p> <p>12 Q. What is the amount of those payments?</p> <p>13 A. They vary. There's no exact amount</p> <p>14 every month.</p> <p>15 Q. What document states how much JJCO is</p> <p>16 obligated to pay each month?</p> <p>17 A. The flooring arrangement that we have,</p> <p>18 it's a reoccurring amount every month.</p> <p>19 Q. I guess that's what I am asking is</p> <p>20 whether it is the same amount. You said that it is</p> <p>21 not the same amount every month, right?</p> <p>22 A. That's right.</p> <p>23 Q. So when you say it is a recurring</p> <p>24 amount, what do you mean?</p> <p>25 A. I meant to say that it was a moving</p>	<p style="text-align: right;">Page 8</p> <p>1 book value of the car.</p> <p>2 Q. Okay, so if the blue book value is</p> <p>3 \$20,000, how much is financed?</p> <p>4 A. \$20,000.</p> <p>5 Q. Okay. So First Hawaiian loans you the</p> <p>6 blue book value of the car?</p> <p>7 A. That's correct.</p> <p>8 Q. Okay, so do you take trade-ins at JJCO?</p> <p>9 A. Yes.</p> <p>10 Q. If somebody trades in a used car at the</p> <p>11 time they buy a new car, does First Hawaiian finance</p> <p>12 that used car?</p> <p>13 A. I would have to take the title and get</p> <p>14 it financed, yes.</p> <p>15 Q. Is that what you normally do?</p> <p>16 A. Yes.</p> <p>17 Q. Okay, and so you take --</p> <p>18 Where do you take the title to get the</p> <p>19 used car financed?</p> <p>20 A. To the bank.</p> <p>21 Q. You take the title to First Hawaiian?</p> <p>22 A. Yes.</p> <p>23 Q. Okay, so then when you sell a used car,</p> <p>24 do you have to go back to First Hawaiian to get the</p> <p>25 title?</p>
<p style="text-align: right;">Page 7</p> <p>1 target. It is not precise.</p> <p>2 Q. Okay, and how do you figure out how much</p> <p>3 to write the check for?</p> <p>4 A. How many cars we have sold or not sold.</p> <p>5 Q. Is that new cars or used cars or both?</p> <p>6 A. Both.</p> <p>7 Q. Okay, so explain to me what's the</p> <p>8 formula. How do you determine how much the payment</p> <p>9 is?</p> <p>10 A. Well, it depends on the value of the car</p> <p>11 that was financed.</p> <p>12 Q. Okay. And when you say that was</p> <p>13 financed, you mean that JJCO financed rather than</p> <p>14 the customer who bought the car?</p> <p>15 A. That's right.</p> <p>16 Q. Okay. Okay, so do I need to -- do we</p> <p>17 need to give an example? If the value of the car is</p> <p>18 \$20,000, how does that affect the payment that you</p> <p>19 make to First Hawaiian Bank?</p> <p>20 A. Well, the value of the car is not going</p> <p>21 to determine the payment. How much was financed is</p> <p>22 going to determine the payment.</p> <p>23 Q. Okay, and how is it determined how much</p> <p>24 is financed?</p> <p>25 A. If it is a used car, it is by the blue</p>	<p style="text-align: right;">Page 9</p> <p>1 A. Yes.</p> <p>2 Q. Does First Hawaiian also finance 100</p> <p>3 percent --</p> <p>4 Well, do you sell used cars for more</p> <p>5 than the blue book price?</p> <p>6 A. Majority of the time, yes.</p> <p>7 Q. Okay. So the blue book, I guess blue</p> <p>8 book has more than one price. Are you saying First</p> <p>9 Hawaiian loans you 100 percent of the wholesale blue</p> <p>10 book?</p> <p>11 A. They use the Kelly blue book book out</p> <p>12 sheet, and they loan us that amount or our cost,</p> <p>13 whichever is lower.</p> <p>14 Q. Do you normally -- what do you call it?</p> <p>15 The something sheet?</p> <p>16 A. The Kelly blue book sheet, it is a print</p> <p>17 out sheet from the blue book.</p> <p>18 Q. Is that different than the blue book</p> <p>19 price that one could look up, say, on the internet?</p> <p>20 A. The blue book has changed recently where</p> <p>21 it has actually three numbers on it, the wholesale</p> <p>22 value, an auction value, and a, oh, what is the</p> <p>23 other value? And I'm not sure which one the bank</p> <p>24 uses, to be honest with you. There are three values</p> <p>25 on the blue book, so they use the book out sheet.</p>

<p style="text-align: right;">Page 10</p> <p>1 Q. Okay. Okay, what is the lowest --</p> <p>2 Suppose you didn't sell any cars. How</p> <p>3 much would be your monthly payment that month to</p> <p>4 First Hawaiian Bank?</p> <p>5 A. First Hawaiian Bank has two other notes</p> <p>6 that I have to debt service every month. One is a</p> <p>7 capitalization note, and one is a note that I</p> <p>8 borrowed from them to put into the company.</p> <p>9 Q. Okay, and I take it on those two notes</p> <p>10 there is a fixed amount that you have to pay each</p> <p>11 month?</p> <p>12 A. Yes.</p> <p>13 Q. How much is the payment?</p> <p>14 A. \$30,000.</p> <p>15 Q. Is that for both notes?</p> <p>16 A. Yes.</p> <p>17 Q. And is it correct that those notes have</p> <p>18 nothing to do with the financing of the vehicles</p> <p>19 then?</p> <p>20 A. That's right.</p> <p>21 Q. Are the vehicles collateral for those</p> <p>22 notes?</p> <p>23 A. Everything JJCO has is collateral for</p> <p>24 those notes.</p> <p>25 Q. Okay. Okay, so then I take it there's a</p>	<p style="text-align: right;">Page 12</p> <p>1 A. That's correct.</p> <p>2 Q. Okay, so how does the number of cars</p> <p>3 that you sold play into the calculation of the</p> <p>4 monthly obligation to First Hawaiian Bank, if at</p> <p>5 all?</p> <p>6 A. Well, the principal, if we sell the car,</p> <p>7 we have to pay off the bank the principal on the</p> <p>8 car.</p> <p>9 Q. Okay. So you talked about how First</p> <p>10 Hawaiian actually holds the titles to the used</p> <p>11 cars --</p> <p>12 A. Yes.</p> <p>13 Q. -- that you have for sale here, so how</p> <p>14 do you get that title back? Do you actually have to</p> <p>15 take that check to them at the same time that they</p> <p>16 give you the title?</p> <p>17 A. Yes.</p> <p>18 Q. So if somebody buys a used car from you,</p> <p>19 they bring you, say, a cashier's check, what do you</p> <p>20 give them?</p> <p>21 A. We give them a registration, a temporary</p> <p>22 registration --</p> <p>23 Q. Okay.</p> <p>24 A. -- and then we are obligated to convert</p> <p>25 the title into their name within thirty days,</p>
<p style="text-align: right;">Page 11</p> <p>1 third loan which is your flooring arrangement?</p> <p>2 A. Yes.</p> <p>3 Q. Okay, and the flooring arrangement, if</p> <p>4 you don't sell any cars, how much do you pay on that</p> <p>5 each month?</p> <p>6 A. Well, there's obviously the interest has</p> <p>7 got to be paid.</p> <p>8 Q. Okay, how much is that?</p> <p>9 A. Well, that's the moving target that I</p> <p>10 was talking about, depending on how many cars are</p> <p>11 financed or floored.</p> <p>12 Q. Okay, so what's the low, and what's the</p> <p>13 high?</p> <p>14 A. It's -- it's -- there is no -- I can't</p> <p>15 give you a window there.</p> <p>16 Q. Well, within the last twelve months,</p> <p>17 what is the lowest payment that you recall?</p> <p>18 A. I can't recall.</p> <p>19 Q. Okay, and in the last twelve months,</p> <p>20 what is the highest that it has been?</p> <p>21 A. Well, if I can recall, maybe \$15,000.</p> <p>22 Q. And is it correct that that interest</p> <p>23 obligation is determined by how much the balance is</p> <p>24 that you got borrowed on the flooring line, but not</p> <p>25 necessarily by how many cars you sold?</p>	<p style="text-align: right;">Page 13</p> <p>1 according to Hawaii law.</p> <p>2 Q. Okay. So you give them a temporary</p> <p>3 title of some kind, and then you go process -- go</p> <p>4 take the money to the bank and process the paperwork</p> <p>5 that the bank provides to you and send them a title</p> <p>6 in the mail, something like that?</p> <p>7 A. That's correct.</p> <p>8 Q. What is JJCO's monthly payroll?</p> <p>9 A. Approximately 150,000.</p> <p>10 Q. What is the payroll for the service</p> <p>11 department?</p> <p>12 A. Oh, I can't tell you that.</p> <p>13 Q. Is that because you don't know?</p> <p>14 A. I don't know.</p> <p>15 Q. What is the revenue monthly for the</p> <p>16 service department?</p> <p>17 A. Last month, it was \$89,000.</p> <p>18 Q. Is that a typical month?</p> <p>19 A. It's off about 20 percent.</p> <p>20 Q. Okay, so it could be up to \$100,000,</p> <p>21 something like that?</p> <p>22 A. That's correct.</p> <p>23 Q. What is the monthly revenue of the parts</p> <p>24 department?</p> <p>25 A. Last month, it was \$79,000.</p>

<p style="text-align: right;">Page 14</p> <p>1 Q. And what is a typical month?</p> <p>2 A. About there.</p> <p>3 Q. Okay, and what is JJCO's revenue from</p> <p>4 the sale of used cars monthly?</p> <p>5 A. Approximately 50,000.</p> <p>6 Q. And is that an average month?</p> <p>7 A. Yeah, it was a pretty good month last</p> <p>8 month.</p> <p>9 Q. Okay. So what would be the range?</p> <p>10 A. 30 to 50.</p> <p>11 Q. And what is JJCO's monthly revenue from</p> <p>12 the sales of new cars?</p> <p>13 A. Approximately 40 to 50.</p> <p>14 Q. What does a new Volvo sell for? What is</p> <p>15 the cheapest new Volvo you sell?</p> <p>16 A. Approximately \$30,000.</p> <p>17 Q. Okay, so the numbers you are stating for</p> <p>18 sales of new cars would indicate one or two new cars</p> <p>19 a month?</p> <p>20 A. That's operating income off of the sale</p> <p>21 of the cars.</p> <p>22 Q. Okay, so the 40 to 50,000 is the actual</p> <p>23 profits net the cost of the cars then?</p> <p>24 A. No, because there's other costs to get</p> <p>25 to that number, there's other costs achieving that</p>	<p style="text-align: right;">Page 16</p> <p>1 revenue.</p> <p>2 Q. Of course, and other than commissions to</p> <p>3 the salesman, what other expenses are you thinking</p> <p>4 of?</p> <p>5 A. \$66,000 a month rent factor.</p> <p>6 Q. Who is your landlord?</p> <p>7 A. Bishop Estate.</p> <p>8 Q. What else?</p> <p>9 A. I would have to see the financial</p> <p>10 statement, and I can read them off to you. There's</p> <p>11 obviously power and electricity. There's a business</p> <p>12 office expense documenting the deal. There's other</p> <p>13 labor besides salespeople to get the car ready.</p> <p>14 Q. Anything else that comes to mind?</p> <p>15 A. Oh, I need the document in front of me.</p> <p>16 I mean, there's --</p> <p>17 Q. Okay.</p> <p>18 A. \$350,000 worth of expenses.</p> <p>19 Q. Okay. Is that your monthly expenses</p> <p>20 here is 350,000 approximately?</p> <p>21 A. Approximately.</p> <p>22 Q. And the figure of \$150,000 payroll, that</p> <p>23 includes the commissions to the salesman?</p> <p>24 A. Yes.</p> <p>25 Q. And that includes the other items that</p>
<p style="text-align: right;">Page 15</p> <p>1 number.</p> <p>2 Q. Okay. So I am just trying to understand</p> <p>3 what the 40 to 50 represents. Is that after payment</p> <p>4 of all the costs associated with the sale?</p> <p>5 A. No.</p> <p>6 Q. Okay.</p> <p>7 A. That's the revenue before costs.</p> <p>8 Q. That's the revenue in excess of the cost</p> <p>9 of the car --</p> <p>10 A. Of the car.</p> <p>11 Q. -- but not the sales commissions and the</p> <p>12 other expenses?</p> <p>13 A. The other expenses selling the car, yes.</p> <p>14 Q. All right. So approximately how many</p> <p>15 new cars would that equate to?</p> <p>16 A. Last month, it was fifteen new cars.</p> <p>17 Q. Okay, now, approximately how many used</p> <p>18 cars per month do you sell?</p> <p>19 A. Fifteen to twenty.</p> <p>20 Q. So the figure that you gave of 30,000 to</p> <p>21 50,000 dollars would also be net of the cost of the</p> <p>22 car, then?</p> <p>23 A. That number is -- is the difference</p> <p>24 between the cost of the car and what we sold the car</p> <p>25 for, however, there's expenses achieving that</p>	<p style="text-align: right;">Page 17</p> <p>1 you had listed as labor, like labor to get the car</p> <p>2 ready, that sort of thing as well, right?</p> <p>3 A. Yes.</p> <p>4 Q. And that includes the parts department</p> <p>5 and the service department employees and all of</p> <p>6 those things?</p> <p>7 A. Yes.</p> <p>8 MR. KING: Lex, just for purposes of</p> <p>9 this deposition so that I understand what this</p> <p>10 information is going to be used for, we have a</p> <p>11 confidentiality agreement in this case. Are you</p> <p>12 willing to agree that this information will only be</p> <p>13 used for purposes of this litigation and won't be</p> <p>14 disseminated to third parties?</p> <p>15 MR. SMITH: Absolutely. If I feel the</p> <p>16 need to disclose it to anybody else, I will tell you</p> <p>17 first and give you the opportunity to object or to</p> <p>18 do whatever you want to do. At the moment, I have</p> <p>19 no intention of using it anywhere except in the</p> <p>20 court.</p> <p>21 MR. KING: Okay.</p> <p>22 Q. (By Mr. Smith) Okay. You gave me a</p> <p>23 figure of 350,000 for all the overhead per month of</p> <p>24 keeping JJCO open; is that right?</p> <p>25 A. Yes.</p>

<p style="text-align: right;">Page 18</p> <p>1 Q. What is the gross monthly revenue of 2 JJCO?</p> <p>3 A. It is \$310,000 for May.</p> <p>4 Q. And what is an average month?</p> <p>5 A. 320.</p> <p>6 Q. Okay, now, is JJCO current on all of its 7 loans to First Hawaiian Bank?</p> <p>8 A. We have a situation in the car business 9 called sold out of trust.</p> <p>10 Q. Right.</p> <p>11 A. Are you aware of that?</p> <p>12 Q. I am going to ask you to explain it, but 13 the . . .</p> <p>14 A. Okay, I am currently sold out of trust, 15 which means that I have sold cars that I haven't 16 paid the bank for yet.</p> <p>17 Q. Is that new cars or used cars?</p> <p>18 A. Both.</p> <p>19 Q. Was that done with First Hawaiian's 20 consent?</p> <p>21 A. No.</p> <p>22 Q. Okay, now, well, you just explained to 23 me how you can't get the title from First Hawaiian 24 to sell a used car without taking them the money 25 first, so how did you sell a car without First</p>	<p style="text-align: right;">Page 20</p> <p>1 obligations?</p> <p>2 A. Well, one of the ways that they do it is 3 that the flooring agreement is an annual agreement 4 annualized, and they have basically put me on notice 5 by only doing a flooring agreement ninety days at a 6 time.</p> <p>7 Q. And how long has that arrangement been 8 in place, the ninety days?</p> <p>9 A. That started sometime last year.</p> <p>10 Q. Was that not in effect at the time we 11 went to trial in 2000, when was it, 2010?</p> <p>12 MS. WANG: 2010.</p> <p>13 Q. (By Mr. Smith) I thought I remembered 14 you testifying about it.</p> <p>15 A. Okay, so that was last year, so you're 16 right, yeah.</p> <p>17 Q. Okay. Now, at the time of your trial 18 testimony, my recollection is that you had said the 19 ninety day renewal was related to the new Isuzus 20 that you had. Do you remember that?</p> <p>21 A. Yes, that's how I started because I had 22 the negative equity on the Isuzus.</p> <p>23 Q. By the way, what has happened to those 24 Isuzus?</p> <p>25 A. They fell off the earth. They are gone.</p>
<p style="text-align: right;">Page 19</p> <p>1 Hawaiian's consent?</p> <p>2 A. I don't need their consent to sell the 3 car.</p> <p>4 Q. So did you sell the car and not provide 5 the customer with a title?</p> <p>6 A. What we do is whenever I said we are 7 sold out of trust, that is within that thirty day 8 window that I talked about for licensing purposes. 9 We will take other revenue to go pay off that car to 10 get the car title.</p> <p>11 Q. Okay. Okay, so back to my question, is 12 JJCO current on all of its obligations to First 13 Hawaiian Bank?</p> <p>14 A. No.</p> <p>15 Q. Okay, which obligations are not current?</p> <p>16 A. We are sold out of trust.</p> <p>17 Q. Okay, other than the sold out of trust?</p> <p>18 A. No.</p> <p>19 Q. What else?</p> <p>20 A. No, that's it.</p> <p>21 Q. That's it. So as far as First Hawaiian 22 knows, you are current on all of their loans?</p> <p>23 A. They know when I am SOT.</p> <p>24 Q. Okay. Has First Hawaiian given you any 25 notice that you are in default on any of your</p>	<p style="text-align: right;">Page 21</p> <p>1 Q. You sold them?</p> <p>2 A. Yes.</p> <p>3 Q. And that was with First Hawaiian's 4 consent?</p> <p>5 A. Well, yeah, I had to borrow the money to 6 cover the negative equity.</p> <p>7 Q. You borrowed the money from First 8 Hawaiian?</p> <p>9 A. Yes.</p> <p>10 Q. And which loan is that balance a part 11 of?</p> <p>12 A. The capitalization loan.</p> <p>13 Q. What is the balance owed today on the 14 capitalization loan?</p> <p>15 A. \$815,000.</p> <p>16 Q. And what is the balance on the other 17 loan that you described? You said there were two 18 notes that have a \$30,000 approximate monthly 19 payment.</p> <p>20 A. 3.8 million.</p> <p>21 Q. Jackson Volvo has a relationship with 22 Volvo; is that correct?</p> <p>23 A. Yes.</p> <p>24 Q. Can you describe that relationship for 25 me?</p>

<p style="text-align: right;">Page 22</p> <p>1 A. We are an authorized franchised dealer  2 selling new Volvos, parts, and service.  3 Q. Okay, is that relationship covered by a  4 contract?  5 A. There is a sales and service agreement,  6 yes.  7 Q. Are there any other contracts that you  8 have with Volvo?  9 A. No.  10 Q. Is the contract that you have with Volvo  11 assignable?  12 A. Normally, whenever there is a franchise  13 sold, it's not assigned. It's -- there's a new one  14 issued.  15 Q. Okay, do you know if the contract is  16 assignable?  17 A. I don't know.  18 Q. Okay. We served a couple of documents  19 on JJCO asking for certain documents to be produced.  20 Have you seen those?  21 A. No.  22 Q. Who at JJCO would have been responsible  23 to gather the documents that were requested?  24 A. Debbie Tesoro.  25 Q. How long has Debbie been with JJCO?</p>	<p style="text-align: right;">Page 24</p> <p>1 A. Well, it is 2005. I'm sorry, I can't  2 remember that far back.  3 Q. Okay, well, I guess what I am asking is  4 whether the 1.6 million was provided in cash or  5 whether there was some other way that JJCO became  6 indebted to you for the million six?  7 A. It would have been by cash.  8 Q. And what was the reason for that loan?  9 A. Well, obviously, that JJCO didn't have  10 capital to work with.  11 Q. Okay, and why was JJCO in deed of  12 \$1,600,000 in capital? I thought the auto business  13 really took a dive in about 2008, so I'm curious why  14 in 2005 JJCO had hit such hard times that it needed  15 \$1,600,000 loan?  16 A. I would have to go back and look to see  17 why. I would believe we just needed the capital. I  18 mean, I wouldn't loan it if it didn't need it.  19 Q. Okay, now, you said that the balance  20 that is owed to you is about 4,000,000 today?  21 A. Yes.  22 Q. How did the balance grow from 1,600,000  23 in 2005 to 4,000,000 today?  24 A. Well, you are correct on the hard times.  25 '07, '08, '09, and 2010 were just devastating for</p>
<p style="text-align: right;">Page 23</p> <p>1 A. 2006.  2 Q. And where did she work before that?  3 A. Cutter, the Cutter organization.  4 Q. JJCO has borrowed certain money from  5 you; is that correct?  6 A. That's correct.  7 Q. And what is the balance of those loans?  8 A. Approximately \$4,000,000.  9 Q. What was the original balance of them?  10 A. 1.6.  11 Q. And when was the 1.6 million dollar  12 obligation incurred?  13 A. I would have to look at the date on the  14 document.  15 Q. Okay, can you say approximately?  16 A. 2005.  17 Q. Did you write a check to JJCO for 1.6  18 million dollars in 2005?  19 A. That could have been multiple checks.  20 I'm not sure.  21 Q. Okay. But you wrote checks from Jack  22 Jackson to JJCO in the total amount of \$1,600,000?  23 A. Evidently, yes.  24 Q. Well, I am not asking if it is  25 evidently.</p>	<p style="text-align: right;">Page 25</p> <p>1 the industry, and so I kept putting money in hoping  2 it would turn around.  3 Q. Okay. So this balance has grown because  4 of additional cash that you have put into the  5 company, then?  6 A. Yes.  7 Q. And has that cash been contributed to  8 the company in the form of checks?  9 A. Yes.  10 Q. Do you know if the checks that reflect  11 these loans to JJCO have been produced?  12 A. There are some that have been produced.  13 Q. Okay, which one?  14 A. I don't know.  15 Q. Okay, why some and not the rest?  16 A. The archives just weren't there to do  17 it. You would have to check with Debbie on that.  18 Q. Okay.  19 A. I'm sorry, I can't tell you.  20 Q. All right, well, we will ask Debbie. Do  21 you receive any compensation from JJCO?  22 A. Yes.  23 Q. What do you receive?  24 A. I have a \$10,000 salary. JJCO pays some  25 peripheral expenses for me, my condo maintenance,</p>

<p style="text-align: right;">Page 26</p> <p>1 and things like that.</p> <p>2 Q. Well, approximately what do those total?</p> <p>3 A. 1800 bucks. There's some property tax</p> <p>4 that JJCO pays. My CPA has elected to do it this</p> <p>5 way because of being a sub S corp., and when I do my</p> <p>6 taxes, it all comes down in one funnel --</p> <p>7 Q. It comes back to you anyway?</p> <p>8 A. Right.</p> <p>9 Q. Okay, what else?</p> <p>10 A. I would have to go look. There's still</p> <p>11 numerous things, small things, telephones, things</p> <p>12 like that.</p> <p>13 Q. Does JJCO provide you with a car?</p> <p>14 A. Yes.</p> <p>15 Q. Is that car financed by First Hawaiian</p> <p>16 Bank?</p> <p>17 A. Yes.</p> <p>18 Q. Is it financed under the flooring</p> <p>19 arrangements that we have discussed earlier, or is</p> <p>20 there a different loan on the car?</p> <p>21 A. It is financed under the flooring</p> <p>22 arrangement on the demo side, demonstrators.</p> <p>23 Demonstrators are paid and financed differently.</p> <p>24 Q. How many demos do you have here?</p> <p>25 A. Three.</p>	<p style="text-align: right;">Page 28</p> <p>1 A. That's correct.</p> <p>2 Q. And why is that?</p> <p>3 A. I don't -- I can't answer that.</p> <p>4 Q. All right. Well, is it your decision or</p> <p>5 the board of director's decision or the accountant's</p> <p>6 decision or whose?</p> <p>7 A. I guess it's my decision.</p> <p>8 Q. Okay, and in that case, I guess, do you</p> <p>9 know of a reason why that would be a stockholder</p> <p>10 draw and not a pay down of debt?</p> <p>11 A. I have never discussed that with Taryn.</p> <p>12 I don't -- it never became a subject.</p> <p>13 Q. Okay. Do you know if the JJCO</p> <p>14 financials for 2005 have been produced?</p> <p>15 A. I would have to check with Debbie.</p> <p>16 Q. Okay. Debbie would be the one who would</p> <p>17 know that?</p> <p>18 A. Yes.</p> <p>19 Q. When you gave figures for used car sales</p> <p>20 and new car sales, we talked about how those figures</p> <p>21 were net of the cost of the cars. What about the</p> <p>22 parts and service figures? Are those gross revenue</p> <p>23 figures, or are those also net of the cost of the</p> <p>24 parts?</p> <p>25 A. It is net of the cost of the parts.</p>
<p style="text-align: right;">Page 27</p> <p>1 Q. Those are all new car demos?</p> <p>2 A. Yes.</p> <p>3 Q. And what is the financing arrangement</p> <p>4 that's made for demos?</p> <p>5 A. The principal and interest are paid</p> <p>6 monthly, and the principal varies. I'm not sure of</p> <p>7 the formula on that.</p> <p>8 Q. The interest rate varies, though?</p> <p>9 A. Well, the interest would vary each month</p> <p>10 because of the declining balance. It is a simple</p> <p>11 interest note, so the interest should be less every</p> <p>12 month.</p> <p>13 Q. Anything else that you receive that's</p> <p>14 got value in excess of \$1,000 a month that you</p> <p>15 receive from JJCO?</p> <p>16 A. Occasionally, I will take a couple</p> <p>17 thousand dollars cash, but it goes against</p> <p>18 stockholder draw.</p> <p>19 Q. Did you ever receive anything in</p> <p>20 repayment or in partial repayment of the loans that</p> <p>21 JJCO owes to you?</p> <p>22 A. No.</p> <p>23 Q. So when you take a stockholder draw,</p> <p>24 that is not repayment or a partial repayment of the</p> <p>25 loan?</p>	<p style="text-align: right;">Page 29</p> <p>1 Q. Okay, and for service, are the figures</p> <p>2 net of the labor to do the service or what?</p> <p>3 A. Yes, it is net of the labor, however,</p> <p>4 there's -- there's management, and there's other</p> <p>5 employees, and there's other expenses that are met.</p> <p>6 I think that once you see the financial, you will</p> <p>7 see all of these expenses that will show you that</p> <p>8 will answer your question better for you.</p> <p>9 Q. Okay. The figure you gave me of</p> <p>10 \$310,000 revenue for May, is that figure net of some</p> <p>11 costs also?</p> <p>12 A. No, that's gross.</p> <p>13 Q. That's the gross revenue. See, because</p> <p>14 I guess I am looking at service of 89,000 net of --</p> <p>15 A. Those are gross, those are gross income</p> <p>16 numbers that haven't had the expenses applied to</p> <p>17 them yet.</p> <p>18 Q. Okay, I thought you just said that the</p> <p>19 service figure of \$89,000 was net of the labor.</p> <p>20 A. No, it's not.</p> <p>21 Q. It's not?</p> <p>22 A. No, it's not.</p> <p>23 Q. Okay, but the parts figure of 79,000 is</p> <p>24 net of the cost of the parts?</p> <p>25 A. Yes. That is, again, if I had the</p>



<p style="text-align: right;">Page 30</p> <p>1 financial in front of me, it would be easier to 2 explain it to you. 3 Q. You could explain it to me? 4 A. Yes. 5 Q. Okay. Does JJCO have any plans to go 6 out of business? 7 A. I have talked to a bankruptcy attorney. 8 Q. How long ago did you have that 9 conversation? 10 A. Last year. 11 Q. In 2010 sometime? 12 A. That's correct. 13 Q. Was that after the conclusion of the 14 trial? 15 A. Yes. 16 Q. Have you spoken with a bankruptcy 17 attorney in 2011? 18 A. No. 19 Q. Do you have any -- 20 Have you done anything towards possibly 21 closing down JJCO in 2011? 22 A. No. 23 Q. Has business been better or worse in 24 2011 than it was in 2010? 25 A. Better.</p>	<p style="text-align: right;">Page 32</p> <p>1 funds to cover these obligations is the parts, 2 service, and used and new car sales here. Is there 3 any other source of revenue that JJCO has? 4 A. No. 5 Q. And does JJCO have bank accounts at any 6 bank other than First Hawaiian? 7 A. No. 8 Q. Which branch of First Hawaiian do you 9 bank at? 10 A. On line today, it's a different story. 11 I believe it is the Kapiolani branch. 12 Q. So the payroll is paid out of the First 13 Hawaiian account? 14 A. Yes. 15 Q. And the rent is paid out of the First 16 Hawaiian account? 17 A. Yes. 18 Q. And all of JJCO's other obligations are 19 paid out of the First Hawaiian account? 20 A. That's correct. 21 Q. Now, when we served a garnishment on 22 First Hawaiian Bank, they said that they had set off 23 the funds that were in their account against their 24 loan. Do you recall that? 25 A. Yes.</p>
<p style="text-align: right;">Page 31</p> <p>1 Q. What is the source of the revenue that 2 JJCO uses to make its payroll of \$150,000 a month? 3 A. Those numbers that I told you earlier, 4 parts, service, sales. 5 Q. Has JJCO ever been unable to make its 6 payroll? 7 A. No. 8 Q. What is the source of the revenue that 9 JJCO uses to pay its \$66,000 per month rent to 10 Bishop Estate? 11 A. Those revenue figures I gave you 12 earlier. 13 Q. Has JJCO ever been unable to make its 14 rent payment to Kamehameha Schools? 15 A. Yes. 16 Q. And what was the result? They are not 17 known for being the nicest landlord in the State. 18 A. I had a workout plan with them to clean 19 it up with penalties having to be paid. 20 Q. And has that all been taken care of now? 21 A. Yes. 22 Q. When did you get behind in the rent with 23 Kamehameha Schools? 24 A. 2009, 2010. 25 Q. And you described how the source of the</p>	<p style="text-align: right;">Page 33</p> <p>1 Q. So how did you pay your payroll that 2 month? 3 A. Obviously, revenue was still coming in, 4 and that was only a week that they offset. 5 Q. So was there enough? 6 A. Enough? For payroll? 7 Q. Right. 8 A. We covered payroll. 9 Q. Did you have enough revenue to cover all 10 of your expenses -- 11 A. No. 12 Q. -- that month? 13 A. No. 14 Q. Which ones did you not pay? 15 A. I can't recall. I have about seventy 16 vendors. 17 Q. So is it correct that the larger vendors 18 you took care of? 19 A. I can't answer that. I don't know. 20 Q. Okay, would Debbie know? 21 A. She may. 22 Q. If not you and not Debbie, who would we 23 ask? 24 A. You have got to go look in the docs, the 25 documents.</p>

<p style="text-align: right;">Page 34</p> <p>1 Q. Have the documents necessary to figure 2 this out been produced? 3 A. I don't know. I don't -- I can't answer 4 that. 5 Q. Okay, because you don't know what's been 6 produced? 7 A. I don't know what's been produced. 8 Q. You said that JJCO pays your maintenance 9 on your condominium; is that right? 10 A. That's correct. 11 Q. Where is that condominium located? 12 A. One Waterfront. 13 Q. Do you own any other real estate? 14 MR. KING: Wait a minute. Are you 15 talking about him personally? 16 Q. (By Mr. Smith) Does JJCO make any 17 payments related to any other real estate that you 18 own? 19 A. Personally? 20 Q. Well, who owns the condominium at One 21 Waterfront? 22 A. My trust. 23 Q. Okay. Does JJCO make any payments 24 related to any other real estate that you or JJCO 25 have any interest in, whether in trust by</p>	<p style="text-align: right;">Page 36</p> <p>1 A. Yes. 2 Q. What other real estate? 3 A. I have a residence on the Big Island, 4 and I used a mortgage -- I used it to mortgage to 5 pay -- to loan the money to the company. The 6 company, JJCO, is paying me interest on my notes, 7 and that money goes directly to First Hawaiian Bank 8 to satisfy the mortgage. 9 Q. Any other JJCO payments for any real 10 estate or by any other entity that we just 11 discussed? 12 THE WITNESS: Dennis, that's probably 13 Taryn. 14 MR. SMITH: We can break. 15 MR. KING: Can we do that? 16 MR. SMITH: Sure. 17 (Recess was taken.) 18 MR. SMITH: Okay, we are back on the 19 record. 20 A. Okay, let me just clarify something. 21 That was my CPA that I was confirming something 22 with. The \$2,000 draw that I take is not a draw. 23 It is treated as income, ordinary income. 24 Q. (By Mr. Smith) Okay, and do you have 25 anything to clarify regarding the Big Island</p>
<p style="text-align: right;">Page 35</p> <p>1 corporation, by partnership, or any other way? 2 A. I need to talk to Dennis for a second. 3 MR. SMITH: Let's take a recess. 4 (Recess was taken.) 5 A. Dennis brought something to my attention 6 on the 2005 note. I told you it is one six. 7 Q. (By Mr. Smith) Okay. 8 A. It is actually one seven. 9 Q. Okay. Okay, anything else you need to 10 correct that you recall -- 11 A. No. 12 Q. -- at the moment? 13 Okay, so the question we were on before 14 we took a break was whether JJCO has paid any of 15 your personal obligations relating to any real 16 estate, other than the condominium at One 17 Waterfront? 18 A. My real estate? What is your question? 19 Q. Okay, okay, let's go back to when I say 20 your real estate, what I am talking about is any 21 real estate that's owned by you, by JJCO, by any 22 trust in which you have any interest, by any 23 corporation or partnership in which you have any 24 interest, or by any other entity that you have any 25 interest in?</p>	<p style="text-align: right;">Page 37</p> <p>1 residence? 2 A. The notes that are outstanding to me 3 from JJCO of \$4,000,000 is payable at 7. -- 7.75 4 percent annually. I am taking that as ordinary 5 income at \$15,000 a month, which is a shortfall 6 because it should be \$310,000 a year. I am taking 7 \$15,000 a month, and the money is paid directly to 8 First Hawaiian to satisfy the Big Island mortgage. 9 Q. Okay. Now, defining real estate the way 10 we did before, are there any other payments that 11 JJCO makes on account of any other real estate? 12 A. No. I'm sorry. There's a small piece 13 of property up in Oregon, it pays the annual 14 maintenance. It is worth about \$20,000 for actual 15 value on the property. I just signed a check a 16 while ago. It pays \$500 a year maintenance or 17 something. 18 Q. Okay. Any others? 19 A. No. 20 Q. You said that the One Waterfront 21 condominium is owned by your trust. 22 A. Yes. 23 Q. How many trusts do you have? 24 A. One. 25 Q. Okay. Who is the owner of the Big</p>

<p style="text-align: right;">Page 38</p> <p>1 Island residence?</p> <p>2 A. JJCO Properties.</p> <p>3 Q. What is the relationship between the</p> <p>4 JJCO's that we are here about today and JJCO</p> <p>5 Properties?</p> <p>6 A. I own both of them.</p> <p>7 Q. Any other relationship besides that?</p> <p>8 A. No.</p> <p>9 Q. What is the -- what are the --</p> <p>10 Well, how many mortgages are there</p> <p>11 against the Big Island residence?</p> <p>12 MR. KING: Well, what relevance does</p> <p>13 that have to the issue here?</p> <p>14 MR. SMITH: I think it is relevant</p> <p>15 because one of them is the First Hawaiian loan that</p> <p>16 he says is connected to JJCO, so I need to know</p> <p>17 whether there is anything ahead of that or behind</p> <p>18 it.</p> <p>19 MR. KING: No, you don't really need to</p> <p>20 know that for the purposes of your examination here.</p> <p>21 MR. SMITH: Are you instructing him not</p> <p>22 to answer?</p> <p>23 MR. KING: Unless you can give me some</p> <p>24 indication why it is relevant.</p> <p>25 MR. SMITH: That's why. I need to know</p>	<p style="text-align: right;">Page 40</p> <p>1 the question, how many loans are there against the</p> <p>2 Big Island residence?</p> <p>3 MR. KING: That's not relevant to the</p> <p>4 issues in this case. That's not property that is</p> <p>5 owned by the company. You have a right to find out</p> <p>6 what assets the company has, what income it has and</p> <p>7 what debts it has, and that's not one of its assets.</p> <p>8 MR. SMITH: Are you instructing him not</p> <p>9 to answer?</p> <p>10 MR. KING: I am just making an</p> <p>11 objection.</p> <p>12 Q. (By Mr. Smith) Okay, go ahead, Mr.</p> <p>13 Jackson.</p> <p>14 MR. KING: And I am giving you a chance</p> <p>15 to state what the relevance is.</p> <p>16 Q. (By Mr. Smith) Mr. Jackson, are you</p> <p>17 going to answer the question or not?</p> <p>18 MR. KING: I am going to instruct him</p> <p>19 not to answer.</p> <p>20 Q. (By Mr. Smith) Okay. What is the</p> <p>21 balance on the loan that you receive \$15,000 a month</p> <p>22 from JJCO?</p> <p>23 A. 4,000,000 and change.</p> <p>24 Q. Okay, I thought you said there was a</p> <p>25 loan against the Big Island residence that JJCO was</p>
<p style="text-align: right;">Page 39</p> <p>1 is it the first mortgage or a third mortgage or a</p> <p>2 ninth mortgage?</p> <p>3 MR. KING: You haven't explained why you</p> <p>4 need to know. All you are saying is you need to</p> <p>5 know. I don't see the relevance.</p> <p>6 MR. SMITH: It is well within the</p> <p>7 permissible rules of discovery.</p> <p>8 MR. KING: I don't think it is, but I am</p> <p>9 giving you an opportunity to show relevance.</p> <p>10 MR. SMITH: If you want to tell him not</p> <p>11 to answer it, tell him.</p> <p>12 MR. KING: If you want to give me some</p> <p>13 indication of relevance, my ears are open.</p> <p>14 Q. (By Mr. Smith) Mr. Jackson, are you</p> <p>15 refusing to answer the question?</p> <p>16 MR. KING: Are you refusing to tell us</p> <p>17 what the relevance is?</p> <p>18 MR. SMITH: I have told you what the</p> <p>19 relevance is.</p> <p>20 MR. KING: No, you haven't.</p> <p>21 MR. SMITH: If you think it is not</p> <p>22 relevant, you have your options.</p> <p>23 MR. KING: Well, you are not giving us</p> <p>24 any indication of what the relevance is.</p> <p>25 Q. (By Mr. Smith) Mr. Jackson, I repeat</p>	<p style="text-align: right;">Page 41</p> <p>1 paying?</p> <p>2 A. No. JJCO is paying me the interest on</p> <p>3 the note to the money that they owe me. That money</p> <p>4 flows through me to First Hawaiian Bank.</p> <p>5 Q. Okay.</p> <p>6 A. The money that I borrowed --</p> <p>7 Q. And what does the 15,000 that JJCO pays</p> <p>8 to you, what debt is that applied to?</p> <p>9 MR. KING: I think he just answered the</p> <p>10 question.</p> <p>11 A. Yes, it is the interest on the</p> <p>12 \$4,000,000.</p> <p>13 Q. (By Mr. Smith) When you give the 15,000</p> <p>14 that you receive from JJCO to First Hawaiian Bank,</p> <p>15 does it pay down an obligation to First Hawaiian</p> <p>16 Bank?</p> <p>17 A. No.</p> <p>18 Q. What does First Hawaiian do with the</p> <p>19 15,000 when they get it?</p> <p>20 A. It pays the interest for the month.</p> <p>21 Q. Interest owed to First Hawaiian?</p> <p>22 A. Yes.</p> <p>23 Q. On what loan?</p> <p>24 A. The money that I borrowed to put into</p> <p>25 the company.</p>

<p style="text-align: right;">Page 42</p> <p>1 Q. And how much was that?</p> <p>2 A. It is currently 3.8 million dollars.</p> <p>3 Q. You borrowed 3.8 million to put into</p> <p>4 JJCO?</p> <p>5 A. That's correct.</p> <p>6 Q. From First Hawaiian?</p> <p>7 A. That's correct.</p> <p>8 Q. And what is the collateral for that 3.8</p> <p>9 million dollar loan?</p> <p>10 A. The residence.</p> <p>11 Q. The Big Island residence?</p> <p>12 A. Yes.</p> <p>13 Q. Is JJCO a borrower on the 3.8 million</p> <p>14 dollar loan?</p> <p>15 A. No.</p> <p>16 Q. Is there any collateral for the 3.8</p> <p>17 million dollar loan other than the Big Island</p> <p>18 residence?</p> <p>19 A. No.</p> <p>20 Q. And if I understood your testimony</p> <p>21 correctly, the 3.8 million dollar loan, the</p> <p>22 collateral for the 3.8 million dollar loan is not</p> <p>23 owned by JJCO, and JJCO has no interest in that</p> <p>24 collateral?</p> <p>25 A. That's correct.</p>	<p style="text-align: right;">Page 44</p> <p>1 A. Yes.</p> <p>2 Q. What else?</p> <p>3 A. Pardon?</p> <p>4 Q. What other obligations have you</p> <p>5 personally guaranteed of JJCO's?</p> <p>6 MR. KING: You mean to First Hawaiian</p> <p>7 Bank?</p> <p>8 MR. SMITH: No. He said all of the</p> <p>9 obligations to First Hawaiian Bank are personally</p> <p>10 guaranteed by him.</p> <p>11 Q. (By Mr. Smith) Okay, so I am asking you</p> <p>12 what other obligations in addition to those to First</p> <p>13 Hawaiian Bank have you guaranteed?</p> <p>14 A. None that I can recall.</p> <p>15 Q. What about the Volvo?</p> <p>16 A. There's no personal guarantee needed</p> <p>17 with a car dealer franchise, with a car agency.</p> <p>18 Q. How much is the monthly maintenance</p> <p>19 charge at One Waterfront?</p> <p>20 A. I told you earlier it is 1800.</p> <p>21 Q. Is there any other arrangement that JJCO</p> <p>22 has like the arrangement regarding the Big Island</p> <p>23 residence?</p> <p>24 A. No.</p> <p>25 Q. So I am just trying to add up what you</p>
<p style="text-align: right;">Page 43</p> <p>1 Q. What is the interest rate on the 3.8</p> <p>2 million dollar loan?</p> <p>3 THE WITNESS: Is that relative, Dennis?</p> <p>4 MR. KING: Well, it's not a JJCO loan.</p> <p>5 What difference would that make, I guess?</p> <p>6 MR. SMITH: Well, I am exploring why</p> <p>7 JJCO is paying this loan --</p> <p>8 A. JJCO is not paying the loan. JJCO is</p> <p>9 paying me. I am paying the loan.</p> <p>10 Q. (By Mr. Smith) Okay. But you also are</p> <p>11 not a title holder of the Big Island property; is</p> <p>12 that right?</p> <p>13 A. That's correct.</p> <p>14 Q. So why are you paying the loan on this</p> <p>15 property if it is not owned by you?</p> <p>16 A. I guaranteed the property note.</p> <p>17 Q. You gave a personal guarantee?</p> <p>18 A. Yes.</p> <p>19 Q. Have you given a personal guarantee for</p> <p>20 any of JJCO's obligations?</p> <p>21 A. Yes.</p> <p>22 Q. Which ones?</p> <p>23 A. All of them.</p> <p>24 Q. All of the obligations to First Hawaiian</p> <p>25 Bank?</p>	<p style="text-align: right;">Page 45</p> <p>1 get from JJCO each month. You get a \$10,000 salary,</p> <p>2 \$15,000 interest payment, \$1,800 condo maintenance</p> <p>3 fee, and you get, I guess, \$500 a year on a property</p> <p>4 in Oregon, for maintenance on a property in Oregon,</p> <p>5 and shareholder draws which are treated as ordinary</p> <p>6 income. Anything else, anything over \$1,000?</p> <p>7 A. You would have to check with Debbie.</p> <p>8 Q. Okay.</p> <p>9 A. I can't recall anything else.</p> <p>10 Q. How often do you take shareholder draws?</p> <p>11 A. They are not, again, shareholder draws.</p> <p>12 Q. Okay.</p> <p>13 A. They're not shareholder draws.</p> <p>14 Q. Okay.</p> <p>15 A. They are just advances against my</p> <p>16 income --</p> <p>17 Q. Okay.</p> <p>18 A. -- and that is sporadic. There is no</p> <p>19 set --</p> <p>20 Q. Okay, so four or five times a year? Is</p> <p>21 the amount sporadic also?</p> <p>22 A. Yes.</p> <p>23 Q. Okay.</p> <p>24 A. I would believe it was four times last</p> <p>25 year. I don't recall. I don't pay attention to</p>

Page 46

1 that.  
2 Q. Okay. Do you know if the records have  
3 been produced to us that would show what those  
4 amounts are?  
5 A. I don't know.  
6 Q. Are your sons employees of JJCO?  
7 A. Yes.  
8 Q. All right, I'm sorry, can you tell me  
9 their names again?  
10 A. David and Marc. Marc is with a C.  
11 Q. And how much salary does David receive  
12 from the company? How much salary does David  
13 receive?  
14 THE WITNESS: Is that relevant? Help me  
15 out here, Dennis. Is that necessary?  
16 MR. KING: Do you need to know the  
17 amount of their salaries?  
18 MR. SMITH: I think if the salary is out  
19 of -- is not commensurate with the amount of work  
20 that is done, it is highly relevant to a number of  
21 questions on the collection of our judgment.  
22 MR. KING: Is it commensurate with the  
23 work that they do?  
24 A. Oh, they are underpaid, believe me.  
25 \$3,800 a month.

Page 47

1 Q. (By Mr. Smith) They both receive 3,800  
2 a month?  
3 A. Marc is a little more. He is on a  
4 commission because he is a sales manager. I don't  
5 know exactly what it is. He could have made -- this  
6 year he was making about \$4,000 a month. Business  
7 got a little better, he's making a little more. I  
8 don't know exactly how much.  
9 Q. What do they receive besides salary?  
10 A. Nothing. Marc gets a demo to drive.  
11 Q. Is David a salesman, or does he do  
12 something else?  
13 A. He works in a little shop in Hilo as a  
14 service advisor.  
15 Q. Do any other people --  
16 Are there any other employees of JJCO  
17 who are related to you?  
18 A. No.  
19 Q. Does Marc also work in Hilo?  
20 A. No.  
21 Q. He works here --  
22 A. This is his office.  
23 Q. We kind of went through the mechanics of  
24 how a used car gets sold, how you clear First  
25 Hawaiian's lien when you sell it, and I wanted to

Page 48

1 try to do the same thing with the new cars. I  
2 gather First Hawaiian funds your cost on the new  
3 cars at the time you order them; is that right?  
4 A. That's correct.  
5 Q. Okay, I learned something about this  
6 during our trial. So that's automatic that you wind  
7 up obligated for a specific amount for every new car  
8 that you order?  
9 A. That's correct.  
10 Q. And then when you sell it, you  
11 presumably sell it for something more than what the  
12 bank's lien is against it?  
13 A. Hopefully.  
14 Q. Okay, in most cases. Now, the bank's  
15 lien, does that increase every month, or do you pay  
16 the interest on it every month?  
17 A. Interest.  
18 Q. You pay the interest on that loan every  
19 month?  
20 A. Yes.  
21 Q. Okay. So when you sell the car, you  
22 would have to take care of the principal of the  
23 loan?  
24 A. Yes.  
25 Q. But the interest is already taken care

Page 49

1 of?  
2 A. Yes.  
3 Q. Okay. So how do you title the new car?  
4 Is it the same as the used car?  
5 A. No. A used car has already been titled.  
6 Q. Right.  
7 A. A new car is not titled. There's an MSO  
8 that comes to the dealer from the manufacturer, the  
9 manufacturer's statement of origin, MSO. That MSO  
10 is turned into the Department of Motor Vehicles that  
11 creates a title.  
12 Q. And you do that after you have sold the  
13 car?  
14 A. That's correct.  
15 Q. Okay, so somebody walks in here with  
16 cash, buys the car, you give them some kind of a  
17 temporary title?  
18 A. That's right.  
19 Q. And then you go process the paperwork to  
20 get the permit title issued?  
21 A. That's correct.  
22 Q. Okay, at what point does the bank  
23 release its lien?  
24 A. I suppose the answer to that question  
25 when is we pay them off.

Page 50

1 Q. Okay. So, well, let's follow the money,  
2 then, as they say. Somebody walks in here, hands  
3 you, I don't know if it is easier, hands you a  
4 cashier's check for the price of the car, drives out  
5 in the car. I take it you take that cashier's check  
6 and go put it in the bank?  
7 A. That's correct.  
8 Q. Okay, now, how does the bank's lien get  
9 addressed? Do you write them a check for that?  
10 A. Yes.  
11 Q. Okay, so you write them a check for the  
12 principal amount that they loaned you against that  
13 car?  
14 A. That's correct.  
15 Q. Okay, and what does the bank give you  
16 for that? Do they give you some kind of a receipt  
17 showing that that car has been -- the lien has been  
18 released?  
19 A. The flooring arrangement is a bulk  
20 arrangement that encompasses a listing of cars, and  
21 once that particular car is paid off via serial  
22 number, they match it to serial number and the VIN  
23 number, they take it off their list.  
24 Q. Okay. What would happen -- let me ask.  
25 Suppose that the same scenario I just described, you

Page 51

1 took the money, and you deposited it in your account  
2 at First Hawaiian Bank. Then you went and took your  
3 MSO to the State and had a title issued, but you  
4 never wrote First Hawaiian the check to clear that  
5 vehicle. Would First Hawaiian still have a lien on  
6 the car?  
7 A. I can't answer that.  
8 Q. You are not sure?  
9 A. I'm not sure.  
10 Q. Okay, but you are supposed to write them  
11 a check to clear that --  
12 A. That's correct.  
13 Q. Okay. Do you do that within 24 hours of  
14 the time that you sell the car or --  
15 A. I am supposed to, but I can't.  
16 Q. Okay. So I guess what I was asking was  
17 do you do it weekly, or do you add it up for all the  
18 cars that you sold that week and do it or --  
19 A. Well, there's no -- there's no  
20 particular payoff window to pay the cars. As we get  
21 funds, I will pay them off.  
22 Q. Okay. Okay, well, do you know if the  
23 loan documents specify a period within which you are  
24 supposed to pay them after you have sold the car?  
25 A. Yes, it's 24 hours once I am funded, I

Page 52

1 think is what it says. I'm not sure.  
2 Q. Okay.  
3 A. Or 48 hours. I'm not sure.  
4 Q. Okay, and so at that point, the balance  
5 that's in your account is not encumbered by any  
6 obligation; is that right?  
7 A. The balance in my account?  
8 Q. In other words, after -- if you sell the  
9 car, if you pay 20,000 for the car, and you sell it  
10 for 25,000, then when you put the 25,000 in the  
11 bank, pay the 20,000 --  
12 A. It's not as simple as that.  
13 Q. I understand, sure, because you have got  
14 overhead. But the only point I am making is the  
15 bank doesn't have a lien or that last -- over the  
16 excess over what they paid for the car?  
17 A. Oh, sure they do.  
18 Q. Okay, and what is the basis of that  
19 lien?  
20 A. Their UCC-1.  
21 Q. Okay.  
22 A. I mean, all of my assets are liens with  
23 First Hawaiian Bank.  
24 Q. You understand what a UCC-1 is, right?  
25 Yes? You need to answer out loud for the court

Page 53

1 reporter. You understand what a UCC-1 is?  
2 A. I don't know where you are going with  
3 the question. I don't understand it.  
4 Q. Okay, but you understand that it means  
5 that the holder of the UCC-1 has a claim to all the  
6 assets described in the UCC-1?  
7 A. That's correct.  
8 Q. And if bank accounts are described in  
9 it, then those would be collateral?  
10 A. That's correct.  
11 Q. Did you file a UCC-1 in 2005 when you  
12 made the loan to JJCO?  
13 A. I don't know the date that I filed a  
14 UCC-1, but I did.  
15 Q. Okay. If it was 2008, would that sound  
16 about right?  
17 A. Okay, that sounds about right.  
18 Q. Why did you file it three years after  
19 you made the loan?  
20 A. Because the loans were growing, and I  
21 needed to have some assurance that I documented all  
22 of these loans properly, and I did that on the  
23 advice of my attorney.  
24 Q. Which attorney was that?  
25 A. Kidani.

<p style="text-align: right;">Page 54</p> <p>1 Q. Was there anything else that happened 2 around the time that you filed the UCC-1? 3 A. There's a lot of things happening in 4 2008. 5 Q. Anything -- 6 A. Do you want to be a little more 7 specific? 8 Q. Yes, I am asking if there was anything 9 significant that played a role in your decision to 10 file a UCC-1? 11 A. No. 12 Q. So the fact that it was filed right 13 around the same time that you filed your lawsuit 14 against Isuzu, did that have something to do with 15 it? 16 A. I filed it on the advice of my attorney, 17 Kidani. 18 Q. I gather you also filed a lawsuit 19 against Isuzu by the advice of your attorney? 20 A. I'm not sure when the lawsuit was filed. 21 Q. Okay. Well, if I tell you that the 22 UCC-1 was filed around the same time as the lawsuit 23 was filed, I am just asking was there a relationship 24 between those two? 25 A. I filed the UCC-1 based on the advice of</p>	<p style="text-align: right;">Page 56</p> <p>1 the relationship you are talking about, the 2 relevancy. 3 Q. (By Mr. Smith) Okay. Well, did you 4 understand at the time that you filed the lawsuit 5 that if you lost, Isuzu could get a judgment for 6 attorney's fees and costs? 7 A. No, I didn't, I wasn't aware of that. 8 Q. Okay. Now, there's certain equipment 9 here at JJCO; is that right? 10 A. That's correct. 11 Q. For example, the equipment that you use 12 to repair automobiles? 13 A. That's correct. 14 Q. What is the approximate cost of that 15 equipment? 16 A. I have no idea. 17 Q. Okay, so you don't know what that 18 equipment is worth? 19 A. No. 20 Q. Does First Hawaiian have a lien over 21 that equipment? 22 A. Yes. 23 Q. And that's pursuant to the same UCC-1? 24 A. Yes. 25 Q. Does JJCO own tools?</p>
<p style="text-align: right;">Page 55</p> <p>1 my attorney. 2 Q. I understand that. 3 A. That's my answer. 4 Q. Okay. So in your mind, was there any 5 relationship between the fact that you had sued 6 Isuzu and the fact that you filed that UCC-1 -- 7 A. What was the date of the lawsuit? Can 8 anyone answer that for me? 9 Q. We may have the exact date. It's 2008, 10 it is the fall of 2008, which is also the same 11 approximate time as the filing of the UCC-1, which I 12 think we do have, actually. I think it is September 13 of 2008. 14 A. The lawsuit was September? 15 Q. The UCC-1 was September. I'm guessing 16 the lawsuit was slightly after that. 17 MS. WANG: We don't have the exact date 18 of the lawsuit. 19 THE WITNESS: Pardon? 20 MS. WANG: We don't have the exact date 21 of the lawsuit. 22 A. I don't see any relevance, relevancy 23 there, filing the UCC-1 before the lawsuit, I don't 24 see the relevance of why I would do it that way. I 25 would think if I did, I would file it after based on</p>	<p style="text-align: right;">Page 57</p> <p>1 A. There could be some tools that JJCO 2 owns, yes, sure. 3 Q. Did First Hawaiian consent to your 4 filing your own UCC-1 against the same assets that 5 First Hawaiian had filed their UCC-1 against? 6 A. I never asked them. 7 Q. Are you aware that their loan documents 8 prohibit encumbering their collateral with any 9 junior loans? 10 A. I wasn't aware of that. They are in 11 first place. I didn't think it would matter. 12 MR. SMITH: Okay. That's all I have, 13 Mr. Jackson. Thank you very much. 14 (Deposition concluded at 10:51 a.m.) 15 16 17 18 19 20 21 22 23 24 25</p>

Page 58

C E R T I F I C A T E

STATE OF HAWAII )

) SS.

CITY AND COUNTY OF HONOLULU )

I, PATRICIA ANN CAMPBELL, CSR 108, do  
hereby certify:

That on June 1st, 2011, appeared before  
me JACK JACKSON, the witness whose 59 page  
deposition is contained herein;

That prior to being examined, he was by  
me duly sworn or affirmed pursuant to Act 110 of the  
2010 Session of the Hawaii State Legislature;

That the deposition was taken down by me  
in machine shorthand and was thereafter reduced to  
typewritten form under my supervision; that the  
foregoing represents, to the best of my ability, a  
true and correct transcript of the proceedings had  
in the foregoing matter;

That pursuant to Rule 30(e) of the  
Hawaii Rules of Civil Procedure, a request for an  
opportunity to review and makes changes to this  
transcript was not made by the deponent or a party  
prior to the completion of the deposition.

I further certify that I am not an  
attorney for any of the parties hereto, nor in any  
way concerned with the cause.

DATED this 7th day of June, 2011, in  
Honolulu, Hawaii.

PATRICIA ANN CAMPBELL, CSR 108  
Certified Shorthand Reporter



<p><b>A</b></p> <p>ability 58:12</p> <p>about 11:10 12:9 13:19 14:2 19:8 20:14 24:13,20 28:20,21 33:15 34:15 35:20 37:14 38:4 44:15 47:6 48:5 53:16,17 56:1</p> <p>Absolutely 17:15</p> <p>according 13:1</p> <p>account 32:13,16,19,23 37:11 51:1 52:5,7</p> <p>accountant's 28:5</p> <p>accounts 32:5 53:8</p> <p>achieving 14:25 15:25</p> <p>Act 58:9</p> <p>actual 14:22 37:14</p> <p>actually 9:21 12:10,14 35:8 55:12</p> <p>add 44:25 51:17</p> <p>addition 44:12</p> <p>additional 25:4</p> <p>addressed 50:9</p> <p>advances 45:15</p> <p>advice 53:23 54:16,19 54:25</p> <p>advisor 47:14</p> <p>affect 7:18</p> <p>affirmed 58:9</p> <p>after 15:3 30:13 49:12 51:24 52:8 53:18 55:16,25</p> <p>again 29:25 45:11 46:9</p> <p>against 27:17 32:23 38:11 40:1,25 45:15 48:12 50:12 54:14,19 57:4,5</p> <p>AGENCIES 1:11</p> <p>agency 44:17</p> <p>ago 30:8 37:16</p> <p>agree 4:12 17:12</p> <p>agreement 17:11 20:3 20:3,5 22:5</p> <p>ahead 38:17 40:12</p> <p>Ala 1:19</p> <p>already 48:25 49:5</p> <p>America 1:7,18 2:9 4:2</p> <p>amount 6:12,13,18,20 6:21,24 9:12 10:10 23:22 45:21 46:17,19 48:7 50:12</p> <p>amounts 46:4</p> <p>ANN 1:24 58:5,24</p> <p>annual 20:3 37:13</p> <p>annualized 20:4</p> <p>annually 37:4</p> <p>answer 28:3 29:8 33:19 34:3 38:22 39:11,15 40:9,17,19 49:24 51:7 52:25 55:3,8</p>	<p>answered 41:9</p> <p>anybody 5:15 17:16</p> <p>anyone 55:8</p> <p>anything 16:14 27:13 27:19 30:20 35:9 36:25 38:17 45:6,6,9 54:1,5,8</p> <p>anyway 26:7</p> <p>anywhere 17:19</p> <p>APPEARANCES 2:1</p> <p>appeared 58:6</p> <p>applied 29:16 41:8</p> <p>approximate 21:18 55:11 56:14</p> <p>approximately 13:9 14:5,13,16 15:14,17 16:20,21 23:8,15 26:2</p> <p>archives 25:16</p> <p>around 25:2 54:2,13,22</p> <p>arrangement 6:17 11:1 11:3 20:7 26:22 27:3 44:21,22 50:19,20</p> <p>arrangements 5:10 26:19</p> <p>asked 57:6</p> <p>asking 6:19 22:19 23:24 24:3 44:11 51:16 54:8,23</p> <p>assets 40:6,7 52:22 53:6 57:4</p> <p>assignable 22:11,16</p> <p>assigned 22:13</p> <p>associated 15:4</p> <p>assurance 53:21</p> <p>attention 35:5 45:25</p> <p>attorney 30:7,17 53:23 53:24 54:16,19 55:1 58:17</p> <p>attorney's 56:6</p> <p>auction 9:22</p> <p>authorized 4:25 5:13 22:1</p> <p>auto 24:12</p> <p>automatic 48:6</p> <p>automobiles 56:12</p> <p>average 14:6 18:4</p> <p>aware 18:11 56:7 57:7 57:10</p> <p>a.m 1:21 57:14</p> <p><b>B</b></p> <p>back 8:24 12:14 19:11 24:2,16 26:7 35:19 36:18</p> <p>background 4:10</p> <p>balance 11:23 21:10,13 21:16 23:7,9 24:19 24:22 25:3 27:10 40:21 52:4,7</p> <p>bank 5:1,2,3,9,11 6:8</p>	<p>7:19 8:20 9:23 10:4,5 12:4,7 13:4,5 18:7,16 19:13 26:16 32:5,6,9 32:22 36:7 41:4,14 41:16 43:25 44:7,9 44:13 49:22 50:6,15 51:2 52:11,15,23 53:8</p> <p>bankruptcy 30:7,16</p> <p>bank's 48:12,14 50:8</p> <p>based 54:25 55:25</p> <p>basically 20:4</p> <p>basis 52:18</p> <p>became 24:5 28:12</p> <p>before 1:24 4:8 15:7 23:2 35:13 37:10 55:23 58:6</p> <p>behalf 1:16,18 4:2,25</p> <p>behind 31:22 38:17</p> <p>being 26:5 31:17 58:8</p> <p>believe 24:17 32:11 45:24 46:24</p> <p>besides 4:16 16:13 38:7 47:9</p> <p>best 6:5 58:12</p> <p>better 29:8 30:23,25 47:7</p> <p>between 15:24 38:3 54:24 55:5</p> <p>Big 36:3,25 37:8,25 38:11 40:2,25 42:11 42:17 43:11 44:22</p> <p>Bishop 2:13 16:7 31:10</p> <p>blue 7:25 8:2,6 9:5,7,7 9:9,11,16,17,18,20 9:25</p> <p>board 5:17 6:1 28:5</p> <p>book 8:1,2,6 9:5,7,8,10 9:11,11,16,17,18,20 9:25,25</p> <p>borrow 21:5</p> <p>borrowed 10:8 11:24 21:7 23:4 41:6,24 42:3</p> <p>borrower 42:13</p> <p>both 7:5,6 10:15 18:18 38:6 47:1</p> <p>bought 7:14</p> <p>Boulevard 1:20</p> <p>branch 32:8,11</p> <p>break 35:14 36:14</p> <p>bring 12:19</p> <p>brought 35:5</p> <p>bucks 26:3</p> <p>bulk 50:19</p> <p>business 16:11 18:8 24:12 30:6,23 47:6</p> <p>buy 8:11</p> <p>buys 12:18 49:16</p> <p><b>C</b></p>	<p>C 46:10 58:1,1</p> <p>calculation 12:3</p> <p>call 9:14</p> <p>called 4:2 18:9</p> <p>CAMPBELL 1:24 58:5 58:24</p> <p>capacities 5:7</p> <p>capital 24:10,12,17</p> <p>capitalization 10:7 21:12,14</p> <p>car 7:10,14,17,20,25 8:1,6,10,11,12,19,23 12:6,8,18 15:9,10,13 15:22,24,24 16:13 17:1 18:8,24,25 19:3 19:4,9,10 26:13,15 26:20 27:1 28:19,20 32:2 44:17,17 47:24 48:7,21 49:3,4,5,7,13 49:16 50:4,5,13,17 50:21 51:6,14,24 52:9,9,16</p> <p>care 31:20 33:18 48:22 48:25</p> <p>cars 7:4,5,5 9:4 10:2 11:4,10,25 12:2,11 14:4,12,18,18,21,23 15:15,16,18 18:15,17 18:17 28:21 48:1,3 50:20 51:18,20</p> <p>case 17:11 28:8 40:4</p> <p>cases 48:14</p> <p>cash 24:4,7 25:4,7 27:17 49:16</p> <p>cashier's 12:19 50:4,5</p> <p>cause 58:18</p> <p>Center 2:5,12</p> <p>certain 22:19 23:4 56:8</p> <p>Certified 1:25 58:25</p> <p>certify 58:5,17</p> <p>chance 40:14</p> <p>change 40:23</p> <p>changed 9:20</p> <p>changes 58:15</p> <p>charge 44:19</p> <p>cheapest 14:15</p> <p>check 7:3 12:15,19 23:17 25:17 28:15 37:15 45:7 50:4,5,9 50:11 51:4,11</p> <p>checks 5:13 23:19,21 25:8,10</p> <p>City 2:5 58:4</p> <p>Civil 1:3 58:14</p> <p>claim 53:5</p> <p>clarify 36:20,25</p> <p>clean 31:18</p> <p>clear 47:24 51:4,11</p> <p>closing 30:21</p> <p>collateral 10:21,23 42:8,16,22,24 53:9</p>	<p>57:8</p> <p>collection 46:21</p> <p>comes 16:14 26:6,7 49:8</p> <p>coming 33:3</p> <p>commencing 1:20</p> <p>commensurate 46:19 46:22</p> <p>commission 47:4</p> <p>commissions 15:11 16:2,23</p> <p>company 10:8 25:5,8 36:5,6 40:5,6 41:25 46:12</p> <p>compensation 25:21</p> <p>completion 58:16</p> <p>concerned 58:18</p> <p>concluded 57:14</p> <p>conclusion 30:13</p> <p>condo 25:25 45:2</p> <p>condominium 34:9,11 34:20 35:16 37:21</p> <p>confidentiality 17:11</p> <p>confirming 36:21</p> <p>connected 38:16</p> <p>consent 18:20 19:1,2 21:4 57:3</p> <p>contained 58:7</p> <p>contract 22:4,10,15</p> <p>contracts 22:7</p> <p>contributed 25:7</p> <p>conversation 30:9</p> <p>convert 12:24</p> <p>corp 26:5</p> <p>corporation 1:4,8 35:1 35:23</p> <p>CORPORATIONS 1:10</p> <p>correct 8:7 10:17 11:22 12:1 13:7,22 21:22 23:5,6 24:24 28:1 30:12 32:20 33:17 34:10 35:10 42:5,7 42:25 43:13 48:4,9 49:14,21 50:7,14 51:12 53:7,10 56:10 56:13 58:12</p> <p>correctly 42:21</p> <p>cost 9:12 14:23 15:8,21 15:24 28:21,23,25 29:24 48:2 56:14</p> <p>costs 14:24,25 15:4,7 29:11 56:6</p> <p>COUNTY 58:4</p> <p>couple 22:18 27:16</p> <p>course 16:2</p> <p>court 1:1 17:20 52:25</p> <p>cover 21:6 32:1 33:9</p> <p>covered 22:3 33:8</p> <p>CPA 26:4 36:21</p> <p>creates 49:11</p>
--	---	---	--	--

<p>CSR 1:24 58:5,24 curious 24:13 current 18:6 19:12,15 19:22 currently 18:14 42:2 customer 7:14 19:5 Cutter 23:3,3 CV08-00419 1:3</p> <hr/> <p><b>D</b></p> <p>D 3:1 daily 5:11 date 23:13 53:13 55:7,9 55:17,20 DATED 58:19 David 4:21 46:10,11,12 47:11 day 19:7 20:19 58:19 days 12:25 20:5,8 dba 1:3,17 deal 5:1,6 16:12 dealer 22:1 44:17 49:8 deals 5:9 Debbie 5:11,14 22:24 22:25 25:17,20 28:15 28:16 33:20,22 45:7 debt 10:6 28:10 41:8 debts 40:7 decision 28:4,5,6,7 54:9 declining 27:10 deed 24:11 default 19:25 Defendant 1:18 2:9 4:2 Defendants 1:14 defining 37:9 demo 26:22 47:10 demonstrators 26:22 26:23 demos 26:24 27:1,4 Dennis 2:4 35:2,5 36:12 43:3 46:15 department 13:11,16 13:24 17:4,5 49:10 depending 11:10 depends 7:10 deponent 58:15 deposited 51:1 deposition 1:15 17:9 57:14 58:7,10,16 describe 21:24 described 21:17 31:25 50:25 53:6,8 determine 7:8,21,22 determined 7:23 11:23 devastating 24:25 difference 15:23 43:5 different 5:6,7 9:18 26:20 32:10 differently 26:23 directly 36:7 37:7</p>	<p>directors 4:18 5:18 6:1 director's 28:5 disclose 17:16 discovery 39:7 discussed 26:19 28:11 36:11 disseminated 17:14 DISTRICT 1:1,2 dive 24:13 docs 33:24 document 6:15 16:15 23:14 documented 53:21 documenting 16:12 documents 22:18,19,23 33:25 34:1 51:23 57:7 DOE 1:10,11,12,13 doing 20:5 dollar 23:11 42:9,14,17 42:21,22 43:2 dollars 15:21 23:18 27:17 42:2 done 18:19 30:20 46:20 down 26:6 28:10 30:21 41:15 58:10 draw 27:18,23 28:10 36:22,22 draws 45:5,10,11,13 drive 47:10 drives 50:4 duly 4:3 58:9 during 48:6</p> <hr/> <p><b>E</b></p> <p>E 3:1 58:1,1 each 5:8,8 6:16 10:10 11:5 27:9 45:1 earlier 26:19 31:3,12 44:20 ears 39:13 earth 20:25 easier 30:1 50:3 effect 20:10 elected 26:4 electricity 16:11 employees 17:5 29:5 46:6 47:16 encompasses 50:20 encumbered 52:5 encumbering 57:8 enough 33:5,6,9 ENTITIES 1:13 entity 35:24 36:10 equate 15:15 equipment 56:8,11,15 56:18,21 equity 20:22 21:6 ESQ 2:4,10,11 estate 16:7 31:10 34:13 34:17,24 35:16,18,20</p>	<p>35:21 36:2,10 37:9 37:11 ever 5:18 27:19 31:5,13 every 6:14,18,21 10:6 27:11 48:7,15,16,18 Everything 10:23 evidently 23:23,25 exact 6:13 55:9,17,20 exactly 47:5,8 examination 3:5 4:6 38:20 examined 58:8 example 7:17 56:11 except 17:19 excess 15:8 27:14 52:16 EXHIBITS 3:15 expense 16:12 expenses 15:12,13,25 16:3,18,19 25:25 29:5,7,16 33:10 explain 7:7 18:12 30:2 30:3 explained 18:22 39:3 exploring 43:6</p> <hr/> <p><b>F</b></p> <p>F 58:1 fact 54:12 55:5,6 factor 16:5 fall 55:10 far 19:21 24:2 fee 45:3 feel 17:15 fees 56:6 fell 20:25 fifteen 15:16,19 figure 7:2 15:20 16:22 17:23 29:9,10,19,23 34:1 figures 28:19,20,22,23 29:1 31:11 file 53:11,18 54:10 55:25 filed 53:13 54:2,12,13 54:16,18,20,22,23,25 55:6 56:4 57:5 filing 55:11,23 57:4 finance 8:11 9:2 financed 7:11,13,13,21 7:24 8:3,14,19 11:11 26:15,18,21,23 financial 5:10 16:9 29:6 30:1 financials 28:14 financing 10:18 27:3 find 40:5 first 2:12 4:3 5:3,6 6:8 7:19 8:5,11,21,24 9:2 9:8 10:4,5 12:4,9 17:17 18:7,19,23,25 18:25 19:12,21,24</p>	<p>21:3,7 26:15 32:6,8 32:12,15,19,22 36:7 37:8 38:15 39:1 41:4 41:14,15,18,21 42:6 43:24 44:6,9,12 47:24 48:2 51:2,4,5 52:23 56:20 57:3,5 57:11 five 6:2,5 45:20 fixed 10:10 floored 11:11 flooring 6:17 11:1,3,24 20:3,5 26:18,21 50:19 flows 41:4 follow 50:1 follows 4:5 foregoing 58:12,13 form 25:8 58:11 formula 7:8 27:7 four 45:20,24 franchise 22:12 44:17 franchised 22:1 from 9:17 10:8 12:18 14:3,11 18:23 21:7 23:4,21 24:22 25:21 27:15 37:3 40:22 41:14 42:6 45:1 46:12 49:8 front 16:15 30:1 funded 51:25 funds 32:1,23 48:2 51:21 funnel 26:6 further 58:17</p> <hr/> <p><b>G</b></p> <p>garnishment 32:21 gather 22:23 48:2 54:18 gave 15:20 17:22 28:19 29:9 31:11 43:17 gets 47:10,24 give 7:17 11:15 12:16 12:20,21 13:2 17:17 38:23 39:12 41:13 49:16 50:15,16 given 19:24 43:19 giving 39:9,23 40:14 go 4:9 8:24 13:3,3 19:9 24:16 26:10 30:5 33:24 35:19 40:12 49:19 50:6 goes 27:17 36:7 going 7:20,22 17:10 18:12 40:17,18 53:2 gone 20:25 good 14:7 GOVERNMENTAL 1:11 gross 18:1 28:22 29:12</p>	<p>29:13,15,15 grow 24:22 growing 53:20 grown 25:3 guarantee 43:17,19 44:16 guaranteed 43:16 44:5 44:10,13 guess 5:5 6:19 9:7 24:3 28:7,8 29:14 43:5 45:3 51:16 guessing 55:15</p> <hr/> <p><b>H</b></p> <p>hands 50:2,3 happen 50:24 happened 20:23 54:1 happening 54:3 hard 24:14,24 having 31:19 Hawaii 1:2,4,20 2:7,14 5:1,2 13:1 58:2,9,14 58:19 Hawaiian 2:12 5:3,7 6:8 7:19 8:5,11,21,24 9:2,9 10:4,5 12:4,10 18:7,23 19:13,21,24 21:8 26:15 32:6,8,13 32:16,19,22 36:7 37:8 38:15 41:4,14 41:15,18,21 42:6 43:24 44:6,9,13 48:2 51:2,4,5 52:23 56:20 57:3,5 Hawaiian's 18:19 19:1 21:3 47:25 held 5:17 Help 46:14 hereto 58:17 high 11:13 highest 11:20 highly 46:20 Hilo 47:13,19 him 34:15 38:21 39:10 39:11 40:8,18 44:10 hit 24:14 holder 43:11 53:5 holds 12:10 honest 9:24 Honolulu 1:20 2:7,14 58:4,19 Hopefully 48:13 hoping 25:1 hours 51:13,25 52:3</p> <hr/> <p><b>I</b></p> <p>idea 56:16 IDENTIFICATION 3:15 Inc 1:3,7,16,19 2:9 4:3 includes 16:23,25 17:4</p>
--	---	---	--	--

income 14:20 29:15 36:23,23 37:5 40:6 45:6,16 increase 48:15 incurred 23:12 indebted 24:6 indicate 14:18 indication 38:24 39:13 39:24 Individually 1:16 industry 25:1 information 17:10,12 instruct 40:18 instructing 38:21 40:8 intention 17:19 interest 11:6,22 27:5,8 27:9,11,11 34:25 35:22,24,25 36:6 41:2,11,20,21 42:23 43:1 45:2 48:16,17 48:18,25 internet 9:19 Island 36:3,25 37:8 38:1,11 40:2,25 42:11,17 43:11 44:22 issue 38:13 issued 22:14 49:20 51:3 issues 40:4 Isuzu 1:4,7,17,18 2:9 4:2 54:14,19 55:6 56:5 Isuzus 20:19,22,24 items 16:25	44:5 JOHN 1:9 judgment 46:21 56:5 June 1:21 58:6,19 junior 57:9 just 15:2 17:8 18:22 24:17,25 25:16 29:18 36:10,20 37:15 40:10 41:9 44:25 45:15 50:25 54:23 <hr/> K Kamehameha 31:14,23 Kapiolani 32:11 keeping 17:24 Kelly 9:11,16 kept 25:1 Kidani 53:25 54:17 kind 13:3 47:23 49:16 50:16 KING 2:4 17:8,21 34:14 36:15 38:12,19 38:23 39:3,8,12,16 39:20,23 40:3,10,14 40:18 41:9 43:4 44:6 46:16,22 know 5:5 13:13,14 19:23 22:15,17 25:10 25:14 28:9,13,17 33:19,20 34:3,5,7 38:16,20,25 39:4,5 46:2,5,16 47:5,8 50:3 51:22 53:2,13 56:17 known 31:17 knows 19:22 <hr/> L labor 16:13 17:1,1 29:2 29:3,19 landlord 16:6 31:17 larger 33:17 last 5:17,20 11:16,19 13:17,25 14:7 15:16 20:9,15 30:10 45:24 52:15 law 13:1 lawsuit 54:13,18,20,22 55:7,14,16,18,21,23 56:4 learned 48:5 Legislature 58:9 LEK 1:4 less 27:11 let 36:20 50:24 let's 35:3,19 50:1 Lex 2:10 17:8 licensing 19:8 lien 47:25 48:12,15 49:23 50:8,17 51:5 52:15,19 56:20 liens 52:22	like 5:5 13:6,21 17:1 26:1,12 44:22 line 11:24 32:10 list 50:23 listed 17:1 listing 50:20 litigation 17:13 little 47:3,7,13 54:6 loan 6:7 9:12 11:1 21:10,12,14,17 24:8 24:15,18 26:20 27:25 32:24 36:5 38:15 40:21,25 41:23 42:9 42:14,17,21,22 43:2 43:4,7,8,9,14 48:18 48:23 51:23 53:12,19 57:7 loaned 50:12 loans 8:5 9:9 18:7 19:22 23:7 25:11 27:20 40:1 53:20,22 57:9 located 34:11 long 20:7 22:25 30:8 look 9:19 23:13 24:16 26:10 33:24 looking 29:14 lost 56:5 lot 4:9 54:3 loud 52:25 low 11:12 lower 9:13 lowest 10:1 11:17 <hr/> M machine 58:11 made 6:10 27:4 47:5 53:12,19 58:15 mail 13:6 maintenance 25:25 34:8 37:14,16 44:18 45:2,4 Majority 9:6 make 6:7 7:19 31:2,5 31:13 34:16,23 43:5 makes 37:11 58:15 making 40:10 47:6,7 52:14 management 29:4 manager 47:4 manufacturer 49:8 manufacturer's 49:9 many 6:4 7:4 11:10,25 15:14,17 26:24 37:23 38:10 40:1 Marc 4:21 46:10,10 47:3,10,19 MARIA 2:11 match 50:22 matter 57:11 58:13 may 18:3 29:10 33:21	55:9 maybe 6:6 11:21 mean 6:24 7:13 16:16 24:18 44:6 52:22 means 18:15 53:4 meant 6:25 mechanics 47:23 meeting 5:18 6:1 meetings 6:4 memory 6:5 met 4:8 29:5 Michigan 1:8 million 21:20 23:11,18 24:4,6 42:2,3,9,13,17 42:21,22 43:2 mind 16:14 55:4 minute 34:14 minutes 6:3 Moana 1:19 moment 17:18 35:12 money 13:4 18:24 21:5 21:7 23:4 25:1 36:5,7 37:7 41:3,3,6,24 50:1 51:1 month 6:14,16,18,21 10:3,6,11 11:5 13:17 13:18,25 14:1,6,7,8 14:19 15:16,18 16:5 17:23 18:4 27:9,12 27:14 31:2,9 33:2,12 37:5,7 40:21 41:20 45:1 46:25 47:2,6 48:15,16,19 monthly 6:10 10:3 12:4 13:8,15,23 14:4,11 16:19 18:1 21:18 27:6 44:18 months 11:16,19 more 9:4,8 47:3,7 48:11 54:6 mortgage 36:4,4,8 37:8 39:1,1,2 mortgages 38:10 most 48:14 Motor 49:10 Motors 1:7,18 2:9 4:2 moving 6:25 11:9 MSO 49:7,9,9 51:3 much 6:15 7:2,8,21,23 8:3 10:3,13 11:4,8,23 42:1 44:18 46:11,12 47:8 57:13 multiple 23:19 myself 4:15,19 5:14 <hr/> N N 3:1 name 12:25 names 4:20 46:9 necessarily 11:25 necessary 34:1 46:15	need 4:9 7:16,17 16:15 17:16 19:2 24:18 35:2,9 38:16,19,25 39:4,4 46:16 52:25 needed 24:14,17 44:16 53:21 negative 20:22 21:6 net 14:23 15:21 28:21 28:23,25 29:2,3,10 29:14,19,24 never 28:11,12 51:4 57:6 new 7:5 8:11 14:12,14 14:15,18,18 15:15,16 18:17 20:19 22:2,13 27:1 28:20 32:2 48:1 48:2,7 49:3,7 nicest 31:17 ninety 20:5,8,19 ninth 39:2 None 3:16 44:14 normally 8:15 9:14 22:12 note 10:7,7 27:11 35:6 41:3 43:16 notes 10:5,9,15,17,22 10:24 21:18 36:6 37:2 nothing 4:4 10:18 47:10 notice 1:22 19:25 20:4 number 12:2 14:25 15:1,23 46:20 50:22 50:22,23 numbers 9:21 14:17 29:16 31:3 numerous 26:11 <hr/> O object 17:17 objection 40:11 obligated 6:16 12:24 48:7 obligation 11:23 12:4 23:12 41:15 52:6 obligations 19:12,15 20:1 32:1,18 35:15 43:20,24 44:4,9,12 obviously 11:6 16:11 24:9 33:3 Occasionally 27:16 off 12:7 13:19 14:20 16:10 19:9 20:25 32:22 49:25 50:21,23 51:21 office 16:12 47:22 officer 4:23 officers 4:22 Offices 1:19 offset 33:4 often 45:10
---	---	--	--	--

oh 9:22 13:12 16:15 46:24 52:17 okay 4:11,14 5:22,25 6:4,7 7:2,7,12,16,16 7:23 8:2,5,8,17,23 9:7 10:1,1,9,25,25 11:3,8,12,19 12:2,9 12:23 13:2,20 14:3,9 14:17,22 15:2,6,17 16:17,19 17:21,22 18:6,14,22 19:11,11 19:15,17,24 20:15,17 22:3,15,18 23:15,21 24:3,11,19 25:3,13 25:15,18 26:9 28:8 28:13,16 29:1,9,18 29:23 30:5 33:20 34:5,23 35:7,9,9,13 35:19,19 36:18,20,24 37:9,18,25 40:12,20 40:24 41:5 43:10 44:11 45:8,12,14,17 45:20,23 46:2 48:5 48:14,21 49:3,15,22 50:1,8,11,15,24 51:10,13,16,22,22 52:2,4,18,21 53:4,15 53:17 54:21 55:4 56:3,8,17 57:12 once 29:6 50:21 51:25 one 9:8,19,23 10:6,7 14:18 20:2 22:13 25:13 26:6 28:16 34:12,20 35:6,8,16 37:20,24 38:15 40:7 44:19 ones 33:14 43:22 only 4:23 17:12 20:5 33:4 52:14 open 17:24 39:13 operating 14:20 opportunity 17:17 39:9 58:15 options 39:22 order 48:3,8 ordinary 36:23 37:4 45:5 Oregon 37:13 45:4,4 organization 23:3 origin 49:9 original 23:9 other 4:16 9:23 10:5 14:24,25 15:12,13 16:2,3,12,25 19:9,17 21:16 22:7 24:5 29:4 29:5 32:3,6,18 34:13 34:17,24 35:1,16,24 36:2,9,10 37:10,11 38:7 42:17 44:4,12 44:21 47:15,16 52:8 others 37:18	out 7:2 9:11,17,25 18:9 18:14 19:7,16,17 30:6 32:12,15,19 34:2 40:5 46:15,18 50:4 52:25 outstanding 37:2 over 45:6 52:15,16 56:20 overhead 17:23 52:14 owe 41:3 owed 21:13 24:20 41:21 owes 27:21 own 34:13,18 38:6 56:25 57:4 owned 35:21 37:21 40:5 42:23 43:15 owner 37:25 owns 34:20 57:2  P page 3:5,15 58:7 paid 11:7 18:16 26:23 27:5 31:19 32:12,15 32:19 35:14 37:7 50:21 52:16 paperwork 13:4 49:19 Pardon 44:3 55:19 part 21:10 partial 27:20,24 particular 50:21 51:20 parties 17:14 58:17 partnership 35:1,23 PARTNERSHIPS 1:12 parts 13:23 17:4 22:2 28:22,24,25 29:23,24 31:4 32:1 party 58:15 past 6:2,5 PATRICIA 1:24 58:5 58:24 pay 6:16 10:10 11:4 12:7 19:9 28:10 31:9 33:1,14 36:5 41:15 45:25 48:15,18 49:25 51:20,21,24 52:9,11 payable 37:3 paying 36:6 41:1,2 43:7 43:8,9,9,14 payment 7:8,18,21,22 10:3,13 11:17 15:3 21:19 31:14 45:2 payments 6:7,10,12 34:17,23 36:9 37:10 payoff 51:20 payroll 13:8,10 16:22 31:2,6 32:12 33:1,6,8 pays 25:24 26:4 34:8 37:13,16 41:7,20 penalties 31:19 people 5:6 47:15	per 15:18 17:23 31:9 percent 9:3,9 13:19 37:4 period 51:23 peripheral 25:25 permissible 39:7 permit 49:20 personal 35:15 43:17 43:19 44:16 personally 34:15,19 44:5,9 piece 37:12 place 20:8 57:11 Plaintiff 1:5 2:3 plan 31:18 plans 30:5 play 12:3 played 54:9 point 49:22 52:4,14 possibly 30:20 power 16:11 precise 7:1 president 4:24 presumably 48:11 pretty 14:7 price 9:5,8,19 50:4 principal 12:6,7 27:5,6 48:22 50:12 print 9:16 prior 58:8,16 probably 36:12 Procedure 58:14 proceedings 58:12 process 13:3,4 49:19 produced 22:19 25:11 25:12 28:14 34:2,6,7 46:3 profits 14:23 prohibit 57:8 properly 53:22 Properties 38:2,5 property 26:3 37:13,15 40:4 43:11,15,16 45:3,4 provide 19:4 26:13 provided 24:4 provides 13:5 purposes 17:8,13 19:8 38:20 pursuant 1:21 56:23 58:9,14 put 10:8 20:4 25:4 41:24 42:3 50:6 52:10 putting 25:1  Q question 19:11 29:8 35:13,18 39:15 40:1 40:17 41:10 49:24 53:3	questions 46:21  R R 2:10 58:1 range 14:9 rate 27:8 43:1 rather 7:13 read 16:10 ready 16:13 17:2 real 34:13,17,24 35:15 35:18,20,21 36:2,9 37:9,11 really 24:13 38:19 reason 24:8 28:9 recall 5:19,21,25 11:17 11:18,21 32:24 33:15 35:10 44:14 45:9,25 receipt 50:16 receive 25:21,23 27:13 27:15,19 40:21 41:14 46:11,13 47:1,9 recently 9:20 recess 35:3,4 36:17 recollection 20:18 record 36:19 records 46:2 recurring 6:23 reduced 58:11 reflect 25:10 refusing 39:15,16 regard 5:8 regarding 36:25 44:22 regards 5:4 registration 12:21,22 related 20:19 34:17,24 47:17 relating 35:15 relationship 21:21,24 22:3 38:3,7 54:23 55:5 56:1 relative 43:3 release 49:23 released 50:18 relevance 38:12 39:5,9 39:13,17,19,24 40:15 55:22,24 relevancy 55:22 56:2 relevant 38:14,24 39:22 40:3 46:14,20 remember 20:20 24:2 remembered 20:13 renewal 20:19 rent 16:5 31:9,14,22 32:15 reoccurring 6:18 repair 56:12 repayment 27:20,20,24 27:24 repeat 39:25 reporter 1:25 53:1 58:25	represents 15:3 58:12 request 58:14 requested 22:23 residence 36:3 37:1 38:1,11 40:2,25 42:10,11,18 44:23 responsible 22:22 rest 25:15 result 31:16 revenue 13:15,23 14:3 14:11 15:7,8 16:1 18:1 19:9 28:22 29:10,13 31:1,8,11 32:3 33:3,9 review 58:15 Richards 2:6 right 6:21,22 7:15 10:20 15:14 17:2,24 18:10 20:16 25:20 26:8 28:4 33:7 34:9 40:5 43:12 46:8 48:3 49:6,18 52:6,24 53:16,17 54:12 56:9 role 54:9 Rule 58:14 rules 39:7 58:14  S S 26:5 salaries 46:17 salary 25:24 45:1 46:11 46:12,18 47:9 sale 12:13 14:4,20 15:4 sales 14:12,18 15:11 22:5 28:19,20 31:4 32:2 47:4 salesman 16:3,23 47:11 salespeople 16:13 same 6:20,21 12:15 48:1 49:4 50:25 54:13,22 55:10 56:23 57:4 satisfy 36:8 37:8 saying 9:8 39:4 says 38:16 52:1 scenario 50:25 Schools 31:14,23 second 35:2 secretary 4:24 see 16:9 24:16 29:6,7 29:13 39:5 55:22,24 seen 22:20 sell 8:23 9:4 10:2 11:4 12:6 14:14,15 15:18 18:24,25 19:2,4 47:25 48:10,11,21 51:14 52:8,9 selling 15:13 22:2 send 13:5 September 55:12,14,15 serial 50:21,22
---	---	--	---	---

<p>served 22:18 32:21  service 10:6 13:10,16  17:5 22:2,5 28:22  29:1,2,14,19 31:4  32:2 47:14  Session 58:9  set 32:22 45:19  seven 35:8  seventy 33:15  shareholder 45:5,10,11  45:13  shareholders 4:14,16  sheet 9:12,15,16,17,25  shop 47:13  shortfall 37:5  shorthand 1:25 58:11  58:25  show 29:7 39:9 46:3  showing 50:17  side 26:22  sign 5:13  signed 37:15  significant 54:9  simple 27:10 52:12  single 4:15  situation 18:8  six 24:6 35:6  slightly 55:16  small 26:11 37:12  Smith 2:10 3:6 4:7  17:15,22 20:13 34:16  35:3,7 36:14,16,18  36:24 38:14,21,25  39:6,10,14,18,21,25  40:8,12,16,20 41:13  43:6,10 44:8,11  46:18 47:1 56:3  57:12  sold 7:4,4 11:25 12:3  15:24 18:9,14,15  19:7,16,17 21:1  22:13 47:24 49:12  51:18,24  SOM 1:4  some 13:3 24:5 25:12  25:15,24 26:3 29:10  38:23 39:12 49:16  50:16 53:21 57:1  somebody 8:10 12:18  49:15 50:2  something 9:15 13:6,21  35:5 36:20,21 37:17  47:12 48:5,11 54:14  sometime 20:9 30:11  sons 4:19,20 46:6  sorry 5:3 24:1 25:19  37:12 46:8  sort 17:2  SOT 19:23  sound 53:15  sounds 53:17</p>	<p>source 31:1,8,25 32:3  specific 48:7 54:7  specify 51:23  spoken 30:16  sporadic 45:18,21  SS 58:3  started 20:9,21  state 31:17 40:15 51:3  58:2,9  statement 16:10 49:9  states 1:1 6:15  stating 14:17  still 26:10 33:3 51:5  stockholder 27:18,23  28:9  story 32:10  Street 2:6,13  sub 26:5  subject 28:12  sued 55:5  Suite 2:12  supervision 58:11  suppose 10:2 49:24  50:25  supposed 51:10,15,24  sure 9:23 23:20 27:6  36:16 51:8,9 52:1,3  52:13,17 54:20 57:2  sworn 4:3 58:9</p> <hr/> <p style="text-align: center;"><b>T</b></p> <hr/> <p>T 58:1,1  take 8:8,13,17,18,21  10:9,25 12:15 13:4  19:9 27:16,23 35:3  36:22 45:10 48:22  50:5,5,23  taken 1:18 31:20 35:4  36:17 48:25 58:10  taking 18:24 37:4,6  talk 35:2  talked 12:9 19:8 28:20  30:7  talking 11:10 34:15  35:20 56:1  target 7:1 11:9  Taryn 6:3 28:11 36:13  tax 26:3  taxes 26:6  telephones 26:11  tell 4:3 5:7 13:12 17:16  25:19 39:10,11,16  46:8 54:21  temporary 12:21 13:2  49:17  Tesoro 5:11 22:24  testified 4:5  testifying 20:14  testimony 20:18 42:20  Thank 57:13  their 12:25 19:2,22</p>	<p>32:23,23 46:9,17  50:23 52:20 57:5,7,8  thing 17:2 48:1  things 17:6 26:1,11,11  26:11 54:3  think 4:9,23 5:23 29:6  38:14 39:8,21 41:9  46:18 52:1 55:12,12  55:25 57:11  thinking 16:3  third 11:1 17:14 39:1  thirty 12:25 19:7  though 27:8  thought 20:13 24:12  29:18 40:24  thousand 27:17  three 9:21,24 26:25  53:18  through 4:9 41:4 47:23  time 5:17 8:11 9:6  12:15 20:6,10,17  48:3 51:14 54:2,13  54:22 55:11 56:4  times 24:14,24 45:20  45:24  title 8:13,18,21,25  12:14,16,25 13:3,5  18:23 19:5,10 43:11  49:3,11,17,20 51:3  titled 49:5,7  titles 12:10  today 21:13 24:20,23  32:10 38:4  told 31:3 35:6 39:18  44:20  tools 56:25 57:1  total 23:22 26:2  towards 30:20  trades 8:10  trade-ins 8:8  transactions 5:12  transcript 58:12,15  treasurer 4:24  treated 36:23 45:5  trial 20:11,17 30:14  48:6  true 58:12  trust 18:9,14 19:7,16  19:17 34:22,25 35:22  37:21  trusts 37:23  truth 4:3,4,4  try 48:1  trying 15:2 44:25  turn 25:2  turned 49:10  twelve 11:16,19  twenty 15:19  two 4:19 6:6 10:5,9  14:18 21:17 54:24  typewritten 58:11</p>	<p>typical 13:18 14:1</p> <hr/> <p style="text-align: center;"><b>U</b></p> <hr/> <p>UCC-1 52:20,24 53:1,5  53:6,11,14 54:2,10  54:22,25 55:6,11,15  55:23 56:23 57:4,5  unable 31:5,13  under 26:18,21 58:11  underpaid 46:24  understand 15:2 17:9  52:13,24 53:1,3,4  55:2 56:4  understood 42:20  UNITED 1:1  Unless 38:23  use 9:11,25 56:11  used 7:5,25 8:10,12,19  8:23 9:4 12:10,18  14:4 15:17 17:10,13  18:17,24 28:19 32:2  36:4,4 47:24 49:4,5  uses 9:24 31:2,9  using 17:19</p> <hr/> <p style="text-align: center;"><b>V</b></p> <hr/> <p>value 7:10,17,20 8:1,2  8:6 9:22,22,23 27:14  37:15  values 9:24  varies 27:6,8  vary 6:13 27:9  vehicle 51:5  vehicles 10:18,21 49:10  vendors 33:16,17  very 57:13  via 50:21  VIN 50:22  Volvo 1:19 14:14,15  21:21,22 22:8,10  44:15  Volvos 22:2  vs 1:6</p> <hr/> <p style="text-align: center;"><b>W</b></p> <hr/> <p>Wait 34:14  walks 49:15 50:2  WANG 2:11 20:12  55:17,20  want 17:18 39:10,12  54:6  wanted 47:25  wasn't 56:7 57:10  Waterfront 34:12,21  35:17 37:20 44:19  way 20:23 24:5 26:5  35:1 37:9 55:24  58:18  ways 20:2  Wednesday 1:21  week 33:4 51:18</p>	<p>weekly 51:17  well 5:5 7:10,20 9:4  11:6,9,16,21 12:6  17:2 18:22 20:2 21:5  23:24 24:1,3,9,24  25:20 26:2 27:9 28:4  34:20 38:10,12 39:6  39:23 43:4,6 50:1  51:19,22 54:21 56:3  went 20:11 47:23 51:2  were 21:17 22:23 24:25  28:21 32:23 35:13  53:20  weren't 25:16  whichever 9:13  while 37:16  whole 4:4  wholesale 9:9,21  willing 17:12  wind 48:6  window 11:15 19:8  51:20  witness 36:12 43:3  46:14 55:19 58:7  words 52:8  work 23:2 24:10 46:19  46:23 47:19  workout 31:18  works 47:13,21  worse 30:23  worth 16:18 37:14  56:18  wouldn't 24:18  write 7:3 23:17 50:9,11  51:10  wrote 23:21 51:4</p> <hr/> <p style="text-align: center;"><b>X</b></p> <hr/> <p>X 3:1</p> <hr/> <p style="text-align: center;"><b>Y</b></p> <hr/> <p>Y 2:11  yeah 4:24 14:7 20:16  21:5  year 5:20,24 20:9,15  30:10 37:6,16 45:3  45:20,25 47:6  years 6:2,5 53:18</p> <hr/> <p style="text-align: center;"><b>\$</b></p> <hr/> <p>\$1,000 27:14 45:6  \$1,600,000 23:22 24:12  24:15  \$1,800 45:2  \$10,000 25:24 45:1  \$100,000 13:20  \$15,000 11:21 37:5,7  40:21 45:2  \$150,000 16:22 31:2  \$2,000 36:22  \$20,000 7:18 8:3,4</p>
--	---	---	---	---

37:14	320 18:5			
\$3,800 46:25	350,000 16:20 17:23			
\$30,000 10:14 14:16				
21:18	4			
\$310,000 18:3 29:10	4 3:6			
37:6	4,000,000 24:20,23			
\$350,000 16:18	40:23			
\$4,000 47:6	40 14:13,22 15:3			
\$4,000,000 23:8 37:3	48 52:3			
41:12				
\$500 37:16 45:3	5			
\$66,000 16:5 31:9	50 14:10,13 15:3			
\$79,000 13:25	50,000 14:5,22 15:21			
\$815,000 21:15	59 58:7			
\$89,000 13:17 29:19				
	7			
0	7 37:3			
07 24:25	7th 58:19			
08 24:25	7.75 37:3			
09 24:25	700 2:5			
	704 1:19			
1	79,000 29:23			
1st 1:21 58:6				
1,600,000 24:22	8			
1-10 1:9,10,10,12,12,13	810 2:6			
1.6 23:10,11,17 24:4	89,000 29:14			
10:51 57:14				
100 9:2,9	9			
108 1:24 58:5,24	9:04 1:21			
110 58:9	96813 1:20 2:7,14			
15,000 41:7,13,19	999 2:13			
150,000 13:9				
1800 26:3 44:20				
2				
20 13:19				
20,000 52:9,11				
2000 20:11				
2005 23:16,18 24:1,14				
24:23 28:14 35:6				
53:11				
2006 23:1				
2008 24:13 53:15 54:4				
55:9,10,13				
2009 31:24				
2010 20:11,12 24:25				
30:11,24 31:24 58:9				
2011 1:21 30:17,21,24				
58:6,19				
24 51:13,25				
25,000 52:10,10				
2600 2:12				
3				
3,800 47:1				
3.8 21:20 42:2,3,8,13				
42:16,21,22 43:1				
30 14:10				
30(B)(6) 1:15				
30(e) 58:14				
30,000 15:20				